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Bush Stands by Gorbachev But Gestures to Republics

Reflecting New Roles In World

By Thomas L. Friedman
New York Times Service

MADRID — It is too early to say whether the Madrid peace conference heralds a new relationship between Arabs and Israelis, but it has already highlighted new relationships between Arabs and Arabs, between Israel and the United States, and most importantly, between the United States and the Soviet Union.

On the U.S.-Soviet front, it would not be an overstatement to say that Moscow has literally made itself an arm of U.S. diplomacy in the Middle East in recent months.

The Soviets did everything possible to make possible the peace conference in

Talks Underline Soviet Changes

By Andrew Rosenthal
New York Times Service

MADRID — In what American officials described as an effort to counter the forces pulling apart the beleaguered Soviet central government, President George Bush offered praise on Tuesday to his "friend," President Mikhail S. Gorbachev, and urged the Soviet republics to give Mr. Gorbachev power to negotiate foreign aid programs.

"I sense no difference in how we talk and the frankness with which we exchange views — no difference, certainly from my standpoint, in the respect level for President Gorbachev," Mr. Bush said at a joint news conference with the Soviet president that was held on the eve of the opening of the Middle East peace conference.

But at the same time, in a tacit recognition of the shifting balance of power in the Soviet Union, Mr. Bush took pains to say that he wanted to foster individual relations with the 12 republics. And he failed to offer Mr. Gorbachev new financial assistance or any other concrete agreement that the Soviet president could have

Meetings in Madrid



George Bush with Mikhail S. Gorbachev: He said there was "no difference, certainly from my standpoint, in the respect level."

Shamir Meets Gorbachev, Soviet-Israel Talks a First

Washington and Moscow Vow to Act as 'Catalysts' At Mideast Conference

By Jackson Diehl and Caryle Murphy
Washington Post Service

MADRID — Presidents George Bush and Mikhail S. Gorbachev set the stage Tuesday for a landmark Middle East conference by declaring after a summit meeting that they intended to be catalysts in the peace process but would not impose a settlement on Arabs and Israelis.

Appearing at a joint news conference on the eve of the conference's opening session, Mr. Bush and Mr. Gorbachev carefully avoided taking positions on substantive issues dividing Israel and the Arabs, but sought to set a tone that would encourage both sides as they prepared for the talks.

Mr. Gorbachev, who gave Israel a diplomatic

Guerrilla attacks in southern Lebanon leave 3 Israeli soldiers dead. Pageantry and protocol in the Spanish capital. Articles on Page 3.

lift earlier Tuesday by meeting with Prime Minister Yitzhak Shamir, said he and Mr. Bush had agreed to "use all the remedies that we have at our disposal" to bring peace to the Middle East.

Mr. Bush added: "We're not here to impose a settlement. We're here to be a catalyst."

"What is important here is getting the parties together," Mr. Bush said. "And one way you don't do that is for either the Soviet Union or the United States to try and impose a settlement. So let them sort it out. We're available."

The summit meeting and news conference came as Israel, Arab delegations and the United States stepped up backstage negotiations about the procedures of the three-day conference as well as of face-to-face negotiations due to begin next week. Diplomats said serious differences remained over where the talks would be held, how Palestinians would be represented and what role would be played by the sponsors of the conference.

The meeting between Mr. Shamir and Mr. Gorbachev was first in history between the leaders of their two countries, and it seemed intended to reassure Israel of Soviet impartiality in the peace process after decades of support by Moscow for Arab efforts to confront the Israelis.

Mr. Shamir, who arrived Tuesday morning, went to the Soviet Embassy in Madrid late in the afternoon for the session with Mr. Gorbachev. After the hourlong meeting, officials said Mr. Shamir and Mr. Gorbachev had agreed that the long break in Soviet-Israeli relations had caused damage to both countries and pledged to try to repair it. The Soviet Union renewed full relations with Israel less than two weeks ago after a break of 24 years.

Mr. Gorbachev's spokesman, Andrei Gerasimov, indicated that Mr. Shamir had raised the question of Soviet arms deliveries to the Middle East. He said Mr. Gorbachev had responded that he would favor a collective agreement by Middle Eastern countries as well as weapons suppliers to limit the arms race and that this was a topic that could be negotiated in the regional talks that are to follow the conference.

Mr. Gorbachev also condemned recent Arab attacks on Israel and called for restraint by both sides, officials said.

After the meeting, Mr. Shamir said: "It was a wonderful experience for me to meet for the first time President Gorbachev, after so many years of not having relations between our two countries."

"I'm very glad and very happy to have now very good relations, and I think those relations will improve over time."

Later, Mr. Shamir met at his hotel with Secretary of State James A. Baker Jr. Israeli officials said that, in contrast to the largely ceremonial meeting with Mr. Gorbachev, the talks with Mr. Baker were intended to cover disputes that have so far blocked any agreement on the location or structure of the direct talks.

Israeli officials said the most serious problem was the location of the talks. Israel wants to hold them in the Middle East, thus creating the fact of Israeli diplomats' traveling to towns in Syria and Jordan. Syria, however, insists that the meetings take place in Madrid or elsewhere in Europe, to preserve the image that they are connected to an international framework.

Diplomats said Israel had tentatively agreed to hold the first round of bilateral talks in Madrid on Sunday but was seeking a firm

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NEWS ANALYSIS

order to win American goodwill, which they hope to cash in later for American economic aid.

While the Soviets are technically co-sponsors of the conference with Washington, that is in name only.

A senior European diplomat recalled Tuesday that when he asked the Soviet official supposedly working jointly with the Americans on the conference a question about seating arrangements, the Soviet official shrugged and said: "You have to ask the Americans. We don't know anything. The Americans are handling everything."

The new U.S.-Soviet relationship in the Middle East was perfectly captured in Jerusalem 10 days ago, when Secretary of State James A. Baker Jr. and the Soviet foreign minister, Boris D. Pankin, held a joint news conference to announce that invitations to the peace conference were being sent.

Mr. Baker had written an opening statement about how the United States saw this landmark opportunity. He mentioned the general themes to Mr. Pankin before they took the rostrum together. Moments before Mr. Baker was to speak, Mr. Pankin leaned over and whispered in his ear, asking if he would tell the journalists that his statement was a "joint Soviet-American statement," as Mr. Pankin had none of his own. Mr. Baker gladly complied.

So it has been from the beginning of this peace conference diplomacy. Washington has written the story line and the speaking parts, and the Soviets have entered and exited on cue. But what did they

See TIES, Page 5

Twelve republics agree to assume \$68 billion Soviet foreign debt. Page 5.

taken back to Moscow with him to bolster his political position.

After meeting over lunch and for a 90-minute private session with only their top advisers, Mr. Bush and Mr. Gorbachev did not announce any new agreements or indicate any significant progress on arms control, foreign aid to the Soviet Union or any other issue.

Instead, the leaders' remarks focused on what appeared to be a joint attempt to counter the notion that Mr. Gorbachev's influence is waning as the 12 remaining Soviet republics take more and more powers onto themselves, and to present the Soviet leader as a strong partner in Soviet-American relations and as a key player in global affairs, including the peace conference.

"I can express my gratitude to President Gorbachev for the very constructive role that the Soviet Union has played in the actions leading up to this conference," Mr. Bush said, smiling at the Soviet president, who stood beside him on a stage in the Soviet Embassy.

Mr. Bush added: "We're grateful to him for that."

Despite Mr. Bush's words, however, the news conference seemed only to underscore the way in which this meeting between the two presidents was subtly but significantly different from their six other encounters and from previous Soviet-American summit meetings.

Administration officials said Mr. Bush gave Mr. Gorbachev his endorsement as a part of a conscious policy of holding as long as possible to the practice of doing business between Washington and the central government in Moscow.

At the same time, administration officials said they were aware that the rapid changes in

See SUMMIT, Page 5

A Relapse Into Recession Looms Over U.S. Recovery

By Lawrence Malkin
International Herald Tribune

NEW YORK — The U.S. economy expanded during the summer quarter for the first time in a year, the government reported Tuesday, but other, forward-looking statistics indicated the nation may be slipping back into recession.

The Commerce Department said the gross national product grew in the third quarter at an annual rate of 2.4 percent, far lower than during typical rebounds from recession. That growth rate masked a sudden fall-off in demand during September, as well as weakness in several components including inventories, government spending, and exports, which fell 3.2 percent.

The Conference Board reported Tuesday in its monthly survey that its index of consumer confidence plunged 12.5 points to 60.4 in October. The independent business survey group described this as being at "recession levels," only 6 points higher than in the trough of the 1982 recession, the worst in the postwar period.

The news knocked the dollar down by 3 pips against the Deutsche mark on the prospect that the economic weakness would spur a lowering of interest rates by the Federal Reserve. The stock market rose on the same prospect, and bond prices made moderate gains.

The only good news was a decline in the

third-quarter inflation rate to 1.8 percent, as measured by a price deflator that is part of the GNP report. This frees the Federal Reserve to make another cut in rates, a reduction that is likely to be keyed to employment figures for October. The figures are to be released Friday.

The Washington Post reported Tuesday that the Federal Reserve Board's chairman, Alan Greenspan, received authority from the policymaking Federal Open Market Committee late last month to cut the federal funds rate, the rate for overnight loans, by half a percentage point if the economy weakened. He has not used it yet despite pressure from the Bush administration, which has grown increasingly worried about what state the economy will be in during next year's presidential election.

Philip Braverman of DKB Securities, one of the small but determined band of Wall Street economists who have predicted the economic stall, said Mr. Greenspan's move to ease was only a matter of time. He said it was being dictated by the state of the bond market leading up to next week's huge auctions of Treasury securities to finance the budget deficit, which the government said on Tuesday had hit a record \$268.7 billion in the fiscal year that

See DOUBLE, Page 14



Prime Minister Yitzhak Shamir of Israel, left, differing with Felipe Gonzalez, over what route to follow.



The Palestinians: Haidar Abdel-Shafi, left, the delegation leader, and Haman Ashrawi and Faisal Hussein, who are advisers.

John Major's Moment of Truth Will He Break With Thatcher on EC Monetary Union?

By Craig R. Whitney
New York Times Service

LONDON — Twenty years after Britain agreed to join the European Community, it is ready to go along with its neighbors on a plan for a common European currency and closer political union when leaders of the 12 nations meet to sign a new treaty in the Netherlands six weeks from now.

The answer was still not clear Tuesday after Prime Minister John Major's office said that he would not be prepared to sign a pledge to make a "swift transition" to the final stage of monetary union, even with a treaty loophole that would leave the ultimate right of approval with Parliament in London, as he had demanded.

The real question, politicians and analysts here suggested, was whether Mr. Major was ready to make an irreversible break with his predecessor, Margaret Thatcher. She vowed a year ago that Britain would "never, never, never" accept the imposition of a single currency, even after all the remaining internal obstacles to free trade have been removed as planned by the end of 1992.

Mrs. Thatcher's stubborn refusal to back down: a unpopular domestic policies led to a revolt among the members of Parliament of her Conservative Party, who brought her down last November. Mr. Major was her own choice as successor, but hints that he has been a disappointment to her have since issued from her camp, and Mr. Major is anxious to avoid a damaging split before the general election he has to call by next July.

On Monday night, the Dutch government, which will hold the chairmanship of the European Community members say British hesitation will not disrupt plans for common currency. Page 13.

nity until the end of the year, made public the latest draft text of the treaty on monetary union, allowing it to proceed even if only seven of the 12 members were ready and giving the reluctant British the loophole they had sought. Any state whose national parliament did not feel able to approve of the irrevocable fixing of

See MAJOR, Page 5

Kiosk

Communists' Forgery Shop Cited

MOSCOW (Reuters) — Investigators have uncovered a passport forgery shop at the Soviet Communist Party's headquarters near the Kremlin, a Moscow newspaper reported.

The liberal daily Nezavisimaya Gazeta quoted a senior Russian Republic official as saying investigators had uncovered forged foreign passports and documents at the Central Committee headquarters. "We found shelves with blank foreign passports, mainly the United States and Western Europe," the daily quoted the official as saying. "It even became comic — there was an entire shelf with false mustaches, beards, sideboards, bald patches and makeup. In short, like a second-rate spy film."

The newspaper said there could be no doubt that the shop had been run by the party's international section and that it had been operating recently — probably until the collapse of the coup.

General News

Lech Walesa offered to take over as prime minister to ensure Poland's stability. Page 2.

Crossword Page 10.

Dow Jones	Close	The Dollar In New York
Up 16.32	DM 1.6865	
3,061.94	DM 1.729	
	Yen 130.65	
	FF 5.758	

Hanoi Refugees Going Home

U.K.-Vietnam Pact Allows Forced Return of Thousands

By Laurence Zuckerman
International Herald Tribune

HONG KONG — Britain and Vietnam signed an agreement Tuesday allowing for the forced return of thousands of Vietnamese refugees held in detention camps here, some of them for years.

Officials said the agreement, signed in Hanoi, binds Vietnam to accept everyone who is designated an economic migrant rather than a political refugee. Details of the deportation plan were being worked out.

Alistair Asprey, Hong Kong's secretary for security, said Hanoi had guaranteed that no refugee who is returned will face punishment or persecution and that the United Nations High Commissioner for Refugees will verify their treatment.

"This is what we have been seeking for the past three and half years," Mr. Asprey said. "We certainly intend to implement this agreement, and I am sure that Vietnam also intends to implement it."

Mr. Asprey said the new comprehensive accord fills in last week's interim agreement which allowed for the forcible return only of so-called double-backers, those

who once returned to Vietnam voluntarily but subsequently returned to Hong Kong.

He said the double-backers would be the first to be sent home, followed by any refugees who arrived after Tuesday's announcement. Only then, he added, would the government begin to deport Vietnamese who have been designated as economic migrants.

About 21,000 Vietnamese here have undergone screening to determine whether they qualified as political refugees under the test of a "well-founded fear of persecution" should they return home. Only about 2,100 of them have passed the test. The other 19,000 were judged to be economic migrants and are now subject to deportation. There are about 64,000 Vietnamese refugees in 11 Hong Kong camps.

Mr. Asprey predicted it would take between two and three years to clear the camps.

He said the government would try to convince as many people as possible to return voluntarily, and he implied that it would act to avoid the kind of international outcry that came in late 1989 after the Hong

See REFUGEES, Page 5

WORLD BRIEFS

Oceania					
Auckland	22/71	10/50 ch	22/71	10/50 ch	
Sydney	21/70	14/57 s	22/71	13/55 ch	
New York	13/55				
Phoenix	22/71	10/50 pc	22/71	10/50 s	
San Fran.	20/68		23/71	9/46 pc	
Seattle	7/44	-1/31 s	11/52	4/39 pc	
Toronto	15/59		18/43	18/44	s -
Washington	18/44		18/44	18/44	s -

THE MEETING IN MADRID: As radicals try to force Israel to stay home, the 'olés' begin in Spain

In Spanish Arena, Diplomatic Bullfight

The Leading Players Preen In Readiness for the Fray

By Alan Cowell

New York Times Service

MADRID — As the tension builds and the crowds rehearse their cheering "olés" at Spanish bullfights, two men enter the arena in old costume. They are called *picadores*, the bullfighters, whose job is to take the keys that free the bulls for the fight. Then, there is a parade of *picadores* and *banderilleros*, and much preening and showing of readiness for the fray.

Fittingly enough, on the eve of the Middle East peace talks, Madrid was a bit like that.

As the first Arab-Israeli peace negotiations since 1973 approached, this smog-layered city became an arena in itself on Tuesday, with the *picadores* finery and the *banderilleros* costumes replaced by the grided emblems of diplomatic muscle amid delegations setting out their stalls before a parley that could still turn out to be no more than what one Israeli minister, Ehud Olmert, called a "media show."

First off, there were the bullfights. The two men who hold keys, though of vastly different weight and import these days — George Bush and Mikhail S. Gorbachev.

They entered the arena with lunch and a meeting at the Soviet Embassy where, amid the many security measures that swathe the Spanish capital with stern police officials telling people what not to do, a white marquee cloaked the entrance from possible snipers.

The tent itself said something about the diminution of Soviet power: Americans proposed it, Spaniards stitched it and Soviets agreed to it.

The same pecking order between two superpowers whose nuclear arsenals and ideological tenacity once ranked them equal seemed to emerge, too, on the Paseo de la Castellana, a four-lane boulevard lined with trees that commands the approaches to both the Soviet and American Embassies.

As Mr. Bush arrived Tuesday, his cavalcade of outriders, security guards, aides, three main Cadillacs and one backup Cadillac halted the traffic on the boulevard. But once it had passed, the traffic still did not move until, in the opposite direction, a more modest cavalcade waited by, shepherding a lone Zil — the Soviet limo.

At a news conference, the uneven bullfights set the markers for the fray. Mr. Bush said the United States and the Soviet Union were "here to be a catalyst." Mr. Gorbachev urged "that everybody be constructive."

It was not too clear how much that had influenced the *picadores*. Prime Minister Yitzhak Shamir of Israel spoke of those among his adversaries "consumed not with the passions of peace, but the passions of blood," referring to mounting bloodshed between Arabs and Israelis in the Middle East as the conference approached.

But since the tacit rules in Madrid bind all sides to at least giving the bull a chance, Mr. Shamir spoke of hopes for peace, as did the principal Palestinian spokesman, Hanan Ashrawi. "I think this is an indication of a less hard-line position," she said, referring to other remarks by Mr. Shamir.

At Spain's bullfights, much protocol is attached to the order of appearance in the pre-fight parade, not to mention the style of the combatants. Thus, Tuesday night, the Syrian team, led by Foreign Minister Farouk Shara, had arranged to be the last arrival, suggesting the kind of aloofness that has long been part of the stock-in-trade of President Hafez Assad in Damascus.

And while Palestinians sparred with journalists, Egypt's foreign minister, Amr Moussa, was seen at a relaxed lunch with aides in the Ritz, bemoaning the sense of knowing indignation that attaches to the one Arab country that has already made its peace with Israel and feels its diplomacy to be seamless, suave and right.

Where the bullfighting metaphor broke down was at the Casa del Campo, the location of a press center the size of a hangar built to house jumbo jets. There, in parking lots where autumn turned green leaves to parchment, the manner was less of the *picador*, more of the mud wrestler.

"You should have seen this place a week ago," said a U.S. official. "It was like a warehouse. It was three floors of space and ceiling." Since then, the Spanish authorities have provided 500 desks with 500 typewriters and angled lamps, banks of telephones, faxes, edit rooms, radio studios; TV technicians have laid miles of cable.

On Tuesday, though, it was still three floors of space, ceiling and plans not quite completed. There were coffee bars with coffee but no water, X-ray machines that had broken down, TV cameras filming TV cameras that were undergoing security checks.

Technically delegations are not supposed to use the press center to spread their line to the expected 4,500 media people in Madrid until the peace conference formally opens Wednesday. Some broke the rules, however, and paid for it.

When Mrs. Ashrawi and fellow Palestinian spokeswoman Faisal Husseini appeared for an impromptu conversation with reporters, such was the press of cameras and microphone booms toward the principals that the Palestinian personalities had to clamber onto a table to get the word across. Even so, very few people could hear the message the cameras were supposed to propagate. And even CNN felt moved to apologize to its viewers, who couldn't bear either.



Mourners comforting the mother of Yitzhak Rophe at his funeral Tuesday in Jerusalem. Mr. Rophe was one of two people killed Monday in an ambush on a bus in the Israeli-occupied West Bank.

Arabs Kill 3 Israeli Soldiers And Wound 5 in Lebanon

By Nora Boustany

Washington Post Service

BEIRUT — On the eve of the Middle East peace conference in Madrid, Iran-backed Shiite guerrillas and bomb attacks on Tuesday, killing three Israeli soldiers, according to Lebanese officials and the Israeli military command.

Gunmen fired a rocket-propelled grenade at the U.S. Embassy north of Beirut late Tuesday, Reuters reported. Security sources said there were no casualties in the attack on the fortress-like embassy, 10 kilometers from the capital. They said Lebanese soldiers erected checkpoints and searched cars around the hilltop embassy area in the Christian district of Awkar overlooking Beirut.

Hezbollah, the militant Party of God, which is opposed to the Middle East peace talks, took responsibility for a roadside ambush inside Israel's self-proclaimed security zone Tuesday that killed the three Israeli soldiers.

In a separate clash, Arab guerrillas tried to infiltrate into Israel's northern border zone battled with

the Israeli Army. The skirmish left two members of a Lebanon-based faction of Palestinian fundamentalist Muslims dead and five Israeli troops wounded.

Apparently in reprisal, Israeli helicopter gunships strafed farmland near the Palestinian district of Rashidiyah, 80 kilometers (50 miles) south of Beirut, wounding three Palestinians Tuesday afternoon, residents and radio stations reported. The army said that Israeli bombed a "terrorist target" in Nabatieh, 12 kilometers north of the Israeli border.

Witnesses said the two helicopters spotted over the south drew machine-gun fire volleys from Rashidiyah.

A security official in southern Lebanon described the Israeli air activity as "reconnaissance by fire," saying that it was on a far smaller scale than Israel's usual retaliation. After nightfall, however, Israeli planes dropped flares over the southernmost Palestinian district of Rashidiyah and Hezbollah hilltop positions overlooking Nabatieh in south Lebanon's central sector. Residents in the region said

an air attack over the hills near Nabatieh was under way.

Hezbollah guerrillas detonated the roadside bomb that killed the soldiers near the village of Arama at Israel's border area to the security zone on Tuesday morning. Army reinforcements were brought to the area to search for guerrillas.

In Lebanon, the Hezbollah leader, Sheikh Abbas Musawi, vowed to step up attacks on Israel and its local south Lebanon army militia as part of a "pan-Islamic campaign to foil the conference."

In Beirut, Sheikh Musawi declared Wednesday "a day of Islamic wrath and mourning to protest American attempts to impose hegemony on the Muslims."

The cleric predicted that the peace talks would not succeed. "The talks will last for several years, after which they will fail," he said. "Israel will use this time to bring in more Jewish immigrants and create more settlements on occupied territories. Our mujahidin will carry out more and more attacks on the Zionist enemy. Our aim is to liberate Jerusalem. This is our sacred duty."

Resolution 242: In a Word, Ambiguity

By Sabra Chartrand

New York Times Service

WASHINGTON — One word deliberately left out of the text of the UN Security Council resolution on the framework for resolving the 1967 Arab-Israeli war has provoked considerable disagreement through the years, but in a way it has also made this week's peace talks in Madrid possible.

On the one hand, the ambiguous wording of Resolution 242 is a product of the equally ambiguous interpretations of that war.

Israel and its supporters state unequivocally that Egypt and Syria were about to attack Israel, and that Jordan joined in the war after it began.

They assert that Israel had no choice but to strike preemptively and destroy the Arab army forces on the ground, opening the way to a six-day defeat of Egypt, Syria and Jordan and leaving Israel in control of the Sinai, the Golan Heights, the Gaza Strip, the West Bank of the Jordan and East Jerusalem.

But the Arab nations deny that war was inevitable and argue that Israel's preemptive strike meant that Israel started the war and gained control over the territory by aggression.

Resolution 242, adopted in November 1967, was the result of months of negotiations in which the United States and the Soviet Union played major roles.

It was an effort to come up with a document that met the Arabs' desire for the return of their captured lands, and Israel's insistence that it was now time for the Arabs to end their state of war with Israel and to recognize it. For this resolution to pass, it was necessary that it be ambiguous.

The resolution calls for "withdrawal of Israeli armed forces from territories occupied in the recent conflict." But because the resolution calls for withdrawal of Israel "from territories," Arabs have remained free to insist that Israel must pull out of all of the West Bank, the Gaza Strip, the Golan Heights and East Jerusalem.

But the vagueness of the sentence also lets Israel say the resolution means only that they have to return parts of the territories — something they say they have already done by giving the Sinai back to Egypt after the 1979 peace treaty.

In this, the Israelis are supported by Arthur J. Goldberg, who was the U.S. representative to the United Nations in 1967. He wrote later that the omission of the words "the" or "all" was not accidental. He said "the resolution speaks of withdrawal from occupied territories without defining the extent of withdrawal."

But William B. Quandt, a former National Security Council official and now an analyst with the Brookings Institution, a Washington

research organization, said, "One thing everyone agreed on at the time was that the phrase referred to territories on each front of the war — the Egyptian, the Jordanian and the Syrian fronts — and was not just relevant to Sinai."

"Israel knew that perfectly well," he said. "It was only when the Likud party came to power that it redefined it as only referring to Sinai."

Since the peace conference is being framed around Resolution 242, the Israelis and the Arabs alike have agreed to attend in part because each believes it stands a chance to win vindication if its view of the resolution is transcendent.

But the divergent views of Resolution 242 were never plainer than when Palestinian and Israeli leaders spoke about this on Sunday.

Haidar Abdel-Shafi, who leads the Palestinian delegation, said Israel's withdrawal "should be almost total from all the occupied territories. And the argument that the withdrawal from Sinai would be enough or it is substantial — well, Sinai is one thing and Palestine is something else," he said.

But Defense Minister Moshe Arens of Israel insisted that "Resolution 242 talks about withdrawal from territories and not 'the' territories. That was a subject that was discussed at the time, and the absence of the word 'the' is quite deliberate and not accidental."

Iraq Faces Damage Claims From 2 Million Over War

Reuters

GENEVA — Up to 2 million people may claim damages from Iraq over its invasion of Kuwait, the head of the United Nations body that will process the claims said Tuesday.

The official, Philippe Berg, Belgium's chief delegate to the United Nations and chairman of the governing council of the UN Compensation Fund, said it was possible that 1.5 million to 2 million people who left Kuwait or Iraq during the occupation of Kuwait might file claims.

If each asked only for the \$2,500 fixed amount being offered to anyone without proof of losses, that would mean small claims amounting to \$3.75 billion to \$5 billion.

The council is weighing a proposal, however, to raise the fixed

amount to \$5,000, and those with documentation of losses will be able to file for unlimited amounts — leaving a potential for tens of billions of dollars in claims.

The UN Security Council, whose 15 members make up the fund's governing council, has decided to siphon off a portion — up to a maximum of 30 percent — of Iraqi oil revenues to pay for the losses. But Iraq is refusing to export any oil because it is unhappy with UN supervision of its revenues, so the fund is dry.

The Security Council has authorized temporary sales worth \$1.6 billion but will only allow unlimited sales once it is satisfied Iraq's physical capabilities for making and employing chemical, biological and nuclear weapons and ballistic missiles are destroyed or being destroyed.

Mrs. Gorbachev Strolls Toledo

The Associated Press

TOLEDO, Spain — While her husband and President George Bush discussed strategy for the Middle East peace conference, Raisa M. Gorbachev walked the narrow streets of this ancient city.

Accompanied by Queen Sofia, Mrs. Gorbachev's three-hour walking tour included stops at the city hall, the El Greco museum, shops selling regional products and Toledo's 13th-century Roman Catholic cathedral.

It was her first public outing since the coup attempt on Aug. 19 against her husband, Mikhail S. Gorbachev. Officials said at the time she had suffered nervous shock.

Party Leader Urges Vote Among Kurds

By Patrick E. Tyler

New York Times Service

D'HOK, Iraq — The Kurdish leader Massoud Barzani has challenged his political rivals to an electoral test of strength to settle the question of whether Iraq's 3.5 million Kurds should reconcile with the government of President Saddam Hussein or take a more confrontational stand against him.

Speaking in an interview after political consultations with Kurdish tribal leaders in D'Hok, Mr. Barzani repeated in forceful terms his view that the majority of Kurds want only autonomy on their traditional lands in Iraq and that they believe the only way to achieve this is through successful negotiations with the government in Baghdad.

Those negotiations, which began in March, continue to make progress, he said.

"If there is a peaceful way to reach an agreement," he said, "we will never think of any other way."

Mr. Barzani strongly criticized recent suggestions by Jalal Talabani, another Kurdish leader, that Iraqi opposition groups might conspire to set up a provisional government in Kurdistan and use northern Iraq territory as a base of attack against Mr. Saddam's forces.

"We are not ready to let the Kurdish people be a bridge for others," Mr. Barzani said.

"Nobody can do that, not me, not him," he added, referring to Mr. Talabani. "We won't let him do it."

Mr. Barzani said the United States and other nations in the Gulf war coalition had made it clear in diplomatic contacts with the Kurds that coalition military forces would not support new military operations initiated by the Kurds.

Mr. Barzani also expressed frus-

tration that U.S. military forces in Turkey were doing too little to stop Turkish Air Force bombing raids 15 kilometers (10 miles) or more inside Iraq against what Mr. Barzani asserts are civilian targets.

Turkey says the raids are against guerrilla bases of the Kurdish Workers Party of Turkey, which uses Iraqi Kurdistan as sanctuary.

Returning to the autonomy negotiations with Baghdad, Mr. Barzani said "hidden forces" were seeking to block a successful conclusion to talks. Kurdish autonomy, which was first accepted by

Baghdad in 1971, would give the Kurds self-rule and control over a major share of the resources of the northern area. The 1971 agreement, however, broke down when Baghdad reneged on key provisions.

Mr. Barzani acknowledged the widening rift between himself and Mr. Talabani. Of the eight Kurdish parties, the two men lead the two largest: Mr. Barzani heads the Kurdistan Democratic Party and Mr. Talabani the Patriotic Union of Kurdistan.

He emphasized that the current

course of negotiations with Baghdad was the only course that has been authorized by the so-called Kurdish front, the convocation of the eight Kurdish parties and local leaders that met in June and approved the current strategy.

If Mr. Talabani's actions are intended as a challenge to this strategy, Mr. Barzani said, then "I am calling for elections, free elections among all of the Kurdish parties in Kurdistan to see which party gets more votes," and to determine the future course of the negotiations with Mr. Saddam's government.

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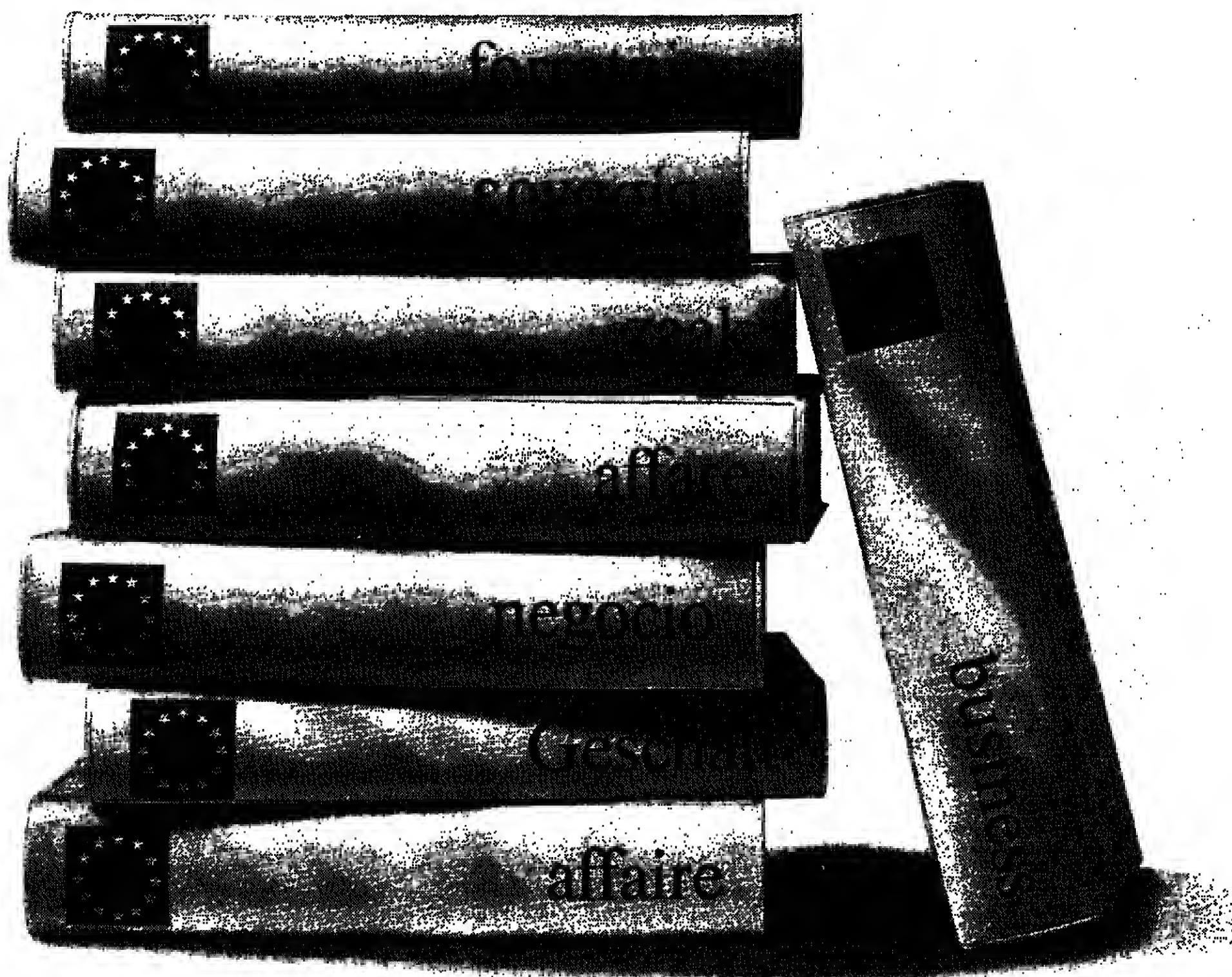
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THE MEETING IN MADRID: The two sides plot their strategies

Israel's Approach: Resist and Counter

By Jackson Diehl

JERUSALEM — Discounting the possibility of quick progress toward peace, the Israeli government is approaching the Middle East conference in a defensive crouch, determined to resist an expected opening onslaught of Arab

NEWS ANALYSIS

demands for a freeze on Jewish settlements and the surrender of occupied territories.

Senior Israeli officials say they have hopes that, in the long run, bilateral talks between Israel and the Arab states could lead to important achievements, such as an agreement on self-rule by Palestinians in the West Bank and Gaza Strip. In the first weeks of the conference, however, Israel's goals will be limited to deflecting attempts by Arab states to focus collective pressure on Israel, and on establishing an image of Mr. Shamir, 76, as a good-faith participant in the process.

Those short-term achievements, Mr. Shamir hopes, will clear the way for U.S. approval of a \$10 billion aid package of loan guarantees for Israel early next year, as well as for his own re-election to a new, four-year term as prime minister. The loan package, a key prior-

ity of the Israeli government, was postponed by last month's President George Bush, who linked it to progress in the peace process.

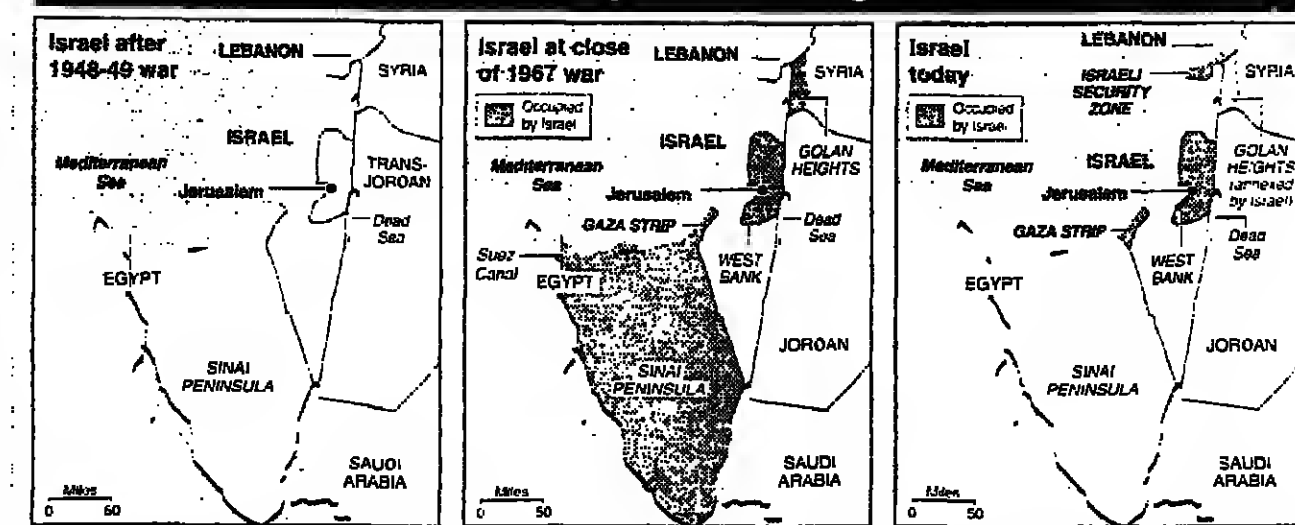
"We are not going to see any bold initiatives by Israel in the early going," a veteran foreign diplomat in Jerusalem predicted. "With Shamir, there aren't any surprises."

Sympathetic analysts say Israel's cautious approach to the first face-to-face negotiations it has ever held with Syria, Jordan and the Palestinians should come as no surprise after the bruising encounters between Mr. Shamir and the Bush administration in recent months, and the hard-ball approach to the talks taken by such Arab leaders as the Syrian president, Hafez Assad.

"From the Israeli perspective, this is like going to a football match where there is a mismatch of size and numbers, not being played on neutral turf, and with the objectivity of the referee in question," said Harry Wall, the Jerusalem representative of the Anti-Defamation League of B'nai B'rith. "It's a very unfriendly atmosphere, and so initially you're going to see the weapons drawn up around the Israeli position."

As shaped by Mr. Shamir and a tight circle of like-minded aides, Israel's stand is straightforward and, seemingly, relatively inflexible. It is willing to negotiate with

Four Decades: How the Map Has Changed



Syria, Lebanon and Jordan about peace treaties, but not about the return of occupied land. With the Palestinians, Mr. Shamir is prepared to discuss an interim settlement involving self-rule, but only under restrictive terms that would leave Israel in control of the land, resources and security of the West Bank and Gaza Strip.

Senior officials say that if Syria or Lebanon were willing to negotiate about issues other than contested territory, many subjects could come up for discussion, including arrangements for improving security along the heavily fortified frontier on the Golan Heights, or confidence-building measures like those in Cold War Europe between NATO and the Warsaw pact.

Israeli strategists are skeptical, however, that such opportunities will open up in the short term.

"There are all kinds of meeting points with Syria that ought to be explored," a senior Israeli official said. "But I doubt they will want to discuss any of these points as long as the territorial question is outstanding, because they will see it as a way by Israel to drag out discussions and avoid what for them is the main point."

Mr. Shamir's skepticism about the negotiations with Syria was reflected in his appointment of his cabinet chief, Yossi Ben-Aharon, as the chief of the negotiating team with Damascus.

A sharp-tongued technocrat re-

nowned for his hawkish views, Mr. Ben-Aharon last week called Mr. Assad "vicious" in a radio interview, and said negotiations on the Golan Heights, which Israel captured from Syria in 1967, would come second to such issues as the welfare of the small number of Jews in Syria and the deployment of Syrian troops in Lebanon.

Israeli officials say they expect more room for negotiation with the Palestinians because both sides have already agreed on the framework of an agreement involving the interim period of self-rule.

The Palestinians have already said that they will open the conference with a demand that Israel freeze settlements, and Secretary of State James A. Baker 3d has sug-

gested a trade-off in which Mr. Shamir would suspend settlement activity in exchange for an end to the Arab boycott against Israel as well as the Palestinian uprising, or *intifada*, against Israeli rule.

Israeli officials, however, say Mr. Shamir is determined not to yield on settlement construction, which he sees as one of Israel's most powerful weapons in forcing eventual Arab concessions.

"It's not that this is our strategy — we believe that building settlements is our right," an Israeli official said. "But in practice, the settlements work like a bargaining card with the Arabs, and a very powerful one. Shamir won't give it up easily, and certainly not before the talks even get going."

Arabs' Approach: Take the Offensive

By Caryle Murphy and Jackson Diehl

MADRID — Arab delegates to the Middle East peace conference will seek to put Israel on the defensive by demanding implementation of long-standing United Nations resolutions, which they say require Israeli withdrawal from occupied Arab territories.

The Syrian, Lebanese and joint Palestinian-Jordanian delegations will also call for a halt to new Jewish settlements in occupied territories, although they have backed away from making this a condition for beginning bilateral talks with Israel after the three-day conference here this week.

Many Arab officials have said that such a freeze would signal the "seriousness" of the negotiations. They said that by obtaining this early concession, they hope to gain a psychological advantage over Israel and to justify to their skeptical constituents their participation in what are expected to be lengthy, arduous negotiations.

The Palestinians are also likely to wield the threat of a stepping up of their uprising in the occupied West Bank and Gaza Strip.

The spokeswoman for the Palestinian delegation, Hanan Ashrawi, said the uprising, or *intifada*, was "the strength and legitimacy of the Palestinian delegation."

"I think it will intensify," she said.

By capitalizing on "international legitimacy" and a "new world order," the themes that galvanized a multinational force to end Iraq's occupation of Kuwait, the Arabs aim to sway world opinion to their side and isolate Israel.

A settlement freeze remains an emotional issue that some Palestin-

NEWS ANALYSIS

ians say they expect to see resolved soon after bilateral talks begin.

"I expect something to be worked out," said a Palestine Liberation Organization adviser to the talks. "But it will happen in a very subtle and non-dramatic way because the United States does not want to upset Israel."

"But over a short period," the adviser added, "settlements will start to dwindle and fade away. As quietly as possible, things will be done on both sides."

If that does not happen, the Palestinians, like the Israelis, are awaiting the expected U.S. congressional debate early next year on Israel's request for \$10 billion in loan guarantees.

The Bush administration has linked the aid package to the peace process. "I believe that if Israel refuses to freeze settlements, President Bush will not give them one penny of the \$10 billion," said a member of the Palestinian delegation. "So this is a very strong card for us. We know that if we raise the issue of settlements, President Bush is going to be behind us."

Palestinians have said that they do not expect much progress in bilateral talks with Israel, which both sides have agreed will focus on a framework established in the 1979 Camp David accords between Israel and Egypt. That plan provides for a five-year interim period of self-rule by Palestinians in the West Bank and Gaza, with negotiations on a final settlement to begin after three years.

While Israel hopes to strictly limit the self-rule, the Palestinians want to structure it in such a way that a Palestinian state becomes inevitable. They plan to demand authority over such areas as land use and natural resources, and insist that Israeli forces in the territories be replaced by international peacekeeping troops.

A PLO official said the Palestinians intended to open the talks with a proposal immediately to put into effect UN Resolution 242, which calls for Israel to return occupied land.

Another important strategy of the Arab side will be to maintain "a strict, unbreakable linkage between all the phases of the process," according to a Palestinian delegate, Sach Erekat. This is intended to guarantee that the talks reach the most intractable problems: the status of Jerusalem and Palestinian demands for an independent state. Palestinians and Arabs still insist that Jerusalem be on the agenda from the start, but have agreed to delay substantive discussion.

The chief Palestinian negotiator, Haidar Abdel-Shafi, said of the Jerusalem question, "I admit that we as Palestinians could see it as a very simple matter. But in reality it is very complicated. It is reasonable not to be in a rush to try to deal with this issue."

Linkage is a primary tactical weapon of the Syrians, whose talks with the Israelis are expected to be difficult. The two sides have widely differing views on the Golan Heights, which Israel captured in 1967 and later annexed.

Syria has said that it will not join the third stage of the peace process — multilateral talks on regional issues — until Israel shows an intention to return occupied lands.

Swedish-Baltic Trade Pact

STOCKHOLM — Sweden has signed trade agreements establishing most-favored-nation trade relationships with the newly independent Baltic states of Latvia and Estonia. The Foreign Ministry announced Tuesday.

Creditors Squeeze the Soviets

12 Republics Agree to Assume \$68 Billion in Debts

By Michael Dobbs

MOSCOW — Bowing to pressure from Western creditors, 12 Soviet republics formally assumed responsibility Tuesday for paying off the \$68 billion foreign debt accumulated by the Kremlin over the past two decades.

The agreement in principle to honor the Soviet Union's foreign debt, which was negotiated during two days of talks in Moscow with representatives from the Group of Seven industrial democracies, clears the way for further Western credits. Failure to agree would have completely undermined the creditworthiness of the former Soviet republics at a time when they are trying to establish their independence and make the transition to a market economy.

Addressing a news conference in Madrid, where he will attend the opening of the Middle East peace conference, President Mikhail S. Gorbachev held up the agreement as a sign of the republics' willingness to work together in the economic field. But Western and Soviet experts said that huge arguments lie ahead as the republics decide precisely how to divide up the debt among themselves.

The negotiations were almost wrecked late Monday night when the Ukrainian prime minister, Vitold Fokin, walked out of the conference room to demand that the agreement also apply to the Baltic states of Lithuania, Latvia, and Estonia. The Baltic states, whose independence was formally recognized by the Kremlin in August, refused to send delegates to the negotiations.

Mr. Fokin agreed to sign the document after it was amended to stipulate that separate negotiations would be held with the Baltic countries, which also bore their share of responsibility for the debt. The Ukraine is expected to host a meeting in Kiev next month to decide how to divide up the Soviet Union's hard currency assets, which include gold and diamond reserves, foreign property, and debts owed by Third World countries.

After climbing slowly during the 1970s, the Soviet Union's hard currency debt has more than doubled during Mr. Gorbachev's tenure in power from around \$29 billion in 1985 to \$68 billion. At the same time, the country's ability to repay the debt has been adversely affected by the depletion of Soviet gold reserves and a 50-percent drop in oil exports over the past year.

Soviet and foreign economists estimate that the Soviet Union needs \$5 billion to \$10 billion in new credits to meet its balance of payments obligations for this year alone.

But the country's international credit rating has sunk from a respectable 17th in 1988 to 54th place in 1990 and 111th today, bringing it down toward the level of countries such as Chad and Nicaragua.

Under their memorandum of understanding, the 12 remaining Soviet republics recognized "their joint responsibility for the payment of the debt" and agreed that payments to creditors may be made by a single authorized bank. The memorandum came into force after being signed by 10 republics Monday night and a further two, Uzbekistan and the Turkmen Republic, on Tuesday.

SUMMIT: Aiding Gorbachev

(Continued from page 1)

The Soviet Union were altering in basic ways the manner in which the two countries do business. They said a point was rapidly approaching at which it might simply no longer be practical to focus so hard on Mr. Gorbachev because he might lose his power to negotiate on behalf of all 12 republics.

That left Mr. Bush trying to stake out a clearly uncomfortable position here, giving Mr. Gorbachev a show of support while trying not to alienate the republic leaders, especially President Boris N. Yeltsin of the Russian Republic, by restating his desire to maintain contacts with them as well.

At one point, a reporter from the Russian newspaper *Izvestia* asked Mr. Gorbachev who was running the Soviet Union while he was abroad and whether his political position had suffered as a result of the aborted coup in August.

After Mr. Gorbachev spoke, asserting that he is "still the president, nobody is taking my place," Mr. Bush stopped his spokesman, Martin Fitzwater, from recognizing the next questioner and began to speak.

"We in the United States watch with fascination and keen interest the developments inside the Soviet Union, the dramatic movements toward the reforms that he, himself, committed himself to years ago," Mr. Bush said.

Mr. Bush added: "It is not for me to fine-tune every detail of change inside the Soviet Union. It is for me to continue to negotiate with President Gorbachev. With his total understanding, I'm sure, we have many contacts with the republics as well. And so we will deal with what's there. And I'm very happy to see my friend again and to have had very fruitful discussions that have not in any way been altered by the tragic coup attempt last summer."

Mr. Bush avoided giving direct answer to questions about U.S. policy on extending economic assistance directly to Soviet republics. In particular, he sidestepped the Ukrainian government's announcement that it will not honor debts incurred by the Soviet government and that it wants to build its own army with control of the nuclear weapons stationed on Ukrainian territory.

Mr. Bush clearly indicated that the United States would prefer still to do business with Moscow, although he said he was keeping up his contacts with Mr. Yeltsin.

TIES: Talks Highlight New Relationships in the World

(Continued from page 1)

actually bring to the game? That is, was Mr. Baker bringing them along just out of habit, or was there really some value added by the Soviets' involvement?

Moscow, Baker aides insist, made a definite contribution during the eight months it took to put the conference together. The Soviets' most important contribution, though, the officials argue, was not twisting the arms of their former patrons, as much as providing the Arabs with the symbolic cover that many of them needed to take part in what was essentially a "made in America" diplomatic initiative.

The Palestinians, the Palestine Liberation Organization and the Syrians in particular needed the Soviets justifying next to the Americans to justify to themselves and their once-radical constituents that they were not simply marching to a U.S. tune.

Even if that was the reality, the image would have been too hard to swallow for people in countries whose self-identities have long been nurtured on the notion of resisting U.S. domination and "imperialism" in the Middle East. American officials say the Arabs did not want to come to an "American" peace conference; they wanted to come to an "international" one.

"While the Arabs recognized the preeminent American role," a senior U.S. official said, "they had an interest in demonstrating that this was not just an American show, because the Americans are perceived in the Arab world as pro-Israeli."

Beyond this symbolic role, Moscow also wittingly or unwittingly played an important blocking role for Washington. The United States did not want either the United Nations or the European Community involved in its Middle East diplomacy — particularly the Community, which, unlike the Soviet Union, has real weight. By presenting the diplomacy as a joint U.S.-Soviet initiative, Washington had the best of both worlds: a pliant Soviet partner and a perfect excuse to exclude the United Nations and the Community from the action.

In addition to this, Moscow used whatever residual influence it still had over its former Middle East clients to pressure the PLO leadership in Tunis to make sure that Yasser Arafat did not block West Bank Palestinians from participating in the conference and to encourage the Syrians to take part. Again, the Soviet intervention in this regard may not have been decisive, but given Moscow's long relationship with the PLO and Syria, U.S. officials believe that it was helpful.

"Whether they will be able to provide the same benefits in the future, we will have to wait and see," the U.S. official said. "It will depend on how they operate and who they will decide to be as a nation."

Finally, the collapse of the Soviet Union as a superpower, coupled with Iraq's defeat in the Gulf war, has recast inter-Arab relations, virtually wiping out the Arab rejection front that always opposed any peace settlement with Israel.

Without Soviet military backing and diplomatic cover, that front — Syria, Yemen, Libya, Iraq and the radical Palestinian factions — has simply folded its tent, for now.

The moderate, pro-U.S. Saudi-Egyptian axis is now predominant.

At a news conference, meanwhile, Palestinians continued to burnish their image as peace-seekers.

"We are determined to begin serious negotiations towards a just, lasting and comprehensive peace in the Middle East," the delegation said in a statement.

A source working closely with the Palestinian delegation said they were drafting an opening statement for the conference that would stress their intention to seek peace with Israel and that would attempt to "show a civilized Palestinian face."

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MAJOR: British Action Unsure on Monetary Union

(Continued from page 1)

its currency at the provisional date for full monetary union, it said, could claim an exemption while the others went ahead.

But the Dutch also proposed a separate declaration by all 12 governments expressing "their strong preference for a swift transition to the third stage," the creation of a common currency, "with the full participation of all member states."

The proposed date for the third stage — 1997 or later — is still up for negotiation, as is the declaration. Mr. Major's office in London seized on the opening of the Dutch provided to say that although the draft treaty itself was "a good basis for negotiation," the proposed declaration was "irrelevant" and "unacceptable in its present form."

The real question is whether Britain, which has the longest European tradition of parliamentary sovereignty wrested from the monarchy, is ready to surrender the sovereign right to raise and lower taxes, budget deficits and to issue currency notes to a European central bank that would be dominated by Germany, which has the most powerful economy and currency in Europe.

"If we do not want a single currency, why sign the treaty?" asked Norman Tebbit, one of Mrs. Thatcher's closest allies, rejecting the latest Dutch compromise as yet another snare set by federalists in Brussels and their allies elsewhere.

Most politicians in Britain agree that Mr. Major will win or lose his election on his domestic policies, not on Europe, and he has resisted

all calls for opponents of the treaty for a referendum if he does finally go ahead and sign.

Whether he will sign in Maastricht, the Netherlands, on Dec. 9-10 is one of the biggest guessing games in Europe. "I think it's 50-50," one ranking British official said, but in the 11 months since he became prime minister, Mr. Major has emphasized that Britain's role is at the heart of Europe, and he has taken special pains to cultivate Chancellor Helmut Kohl, whom he is going to see in Bonn on Friday.

Supporters of European unity within the British government hope Mr. Major will agree to the treaty on monetary union after remaining differences on the details of the intermediary stages are worked out. They hope that if he signs, he will also enthusiastically recommend ratification by Parliament.

"Even if Parliament said no, 11 of the 12 would go ahead without us," one British government official said. "But that isn't true for political union."

There, he said, the issues were "messier." The question of putting some foreign policy and defense questions to a two-thirds majority vote in European Council meetings is stoutly resisted by Britain and supported by Germany and France, and their smaller allies.

And, in another position firmly resisted by Britain, Mr. Kohl has been insisting on greater political powers for the European Parliament in Strasbourg, France, where Germany is now asking for 18 more seats than any other member to reflect its larger population after unification last year.

Foreign ministers of the nine Western European Union countries — all the European Community countries except Denmark, Ireland, and Greece — met in Bonn on to work out a compromise between rival French-German and British-Italian plans on whether European defense should be anchored in the NATO alliance or in the European Community.

All 12 community foreign ministers will meet in Noordwijk, the Netherlands, on Nov. 13-14 to thrash out the remaining obstacles to agreement on political and monetary union before the Maastricht meeting in December.

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REFUGEES: U.K.-Vietnam Pact

(Continued from page 1)

Kong police herded 51 refugees onto a Hanoi-bound plane in the middle of the night.

"We will do everything we possibly can to encourage and enable people to return in dignity," he said. "Whether they do so in the final analysis depends of course on their own behavior."

There have been almost daily demonstrations in the camps here against forced repatriation. Some Vietnamese have said there would be mass suicides should deportations begin. There also have been warnings of resistance to the repatriations and camp security has been strengthened.

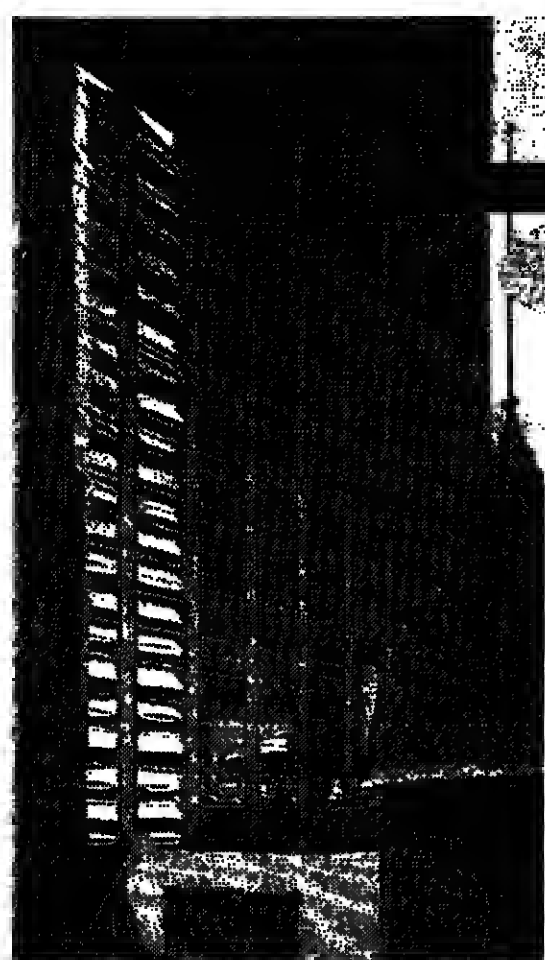
How the Hong Kong government handles the returns will be the key factor in how Washington, which has long opposed forced repatriation, responds to the new agreement.

Although the Bush administration is not likely to drop its objection to forced repatriation, there is evidence that it is willing to tolerate the practice if it goes smoothly.

A State Department statement gave oblique support to last week's agreement to send the double-hackers home against their will and a U.S. diplomat said Tuesday's agreement probably would receive the same treatment.

But the diplomat warned that could change quickly if there were strong objections in Congress. "There are 335 members of Congress," he said, "and every one of them can call a press conference."

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MFP-Adelaide — Australia's city of the future — is about to take shape as one of the world's most exciting technopolis. So far, though, no bricks and mortar have been laid; it exists only in the piles of plans, studies and reports on the desks of government offices and in corporate boardrooms.

Both the Australian national government and the state government of South Australia, of which Adelaide is the capital, are firmly committed to this vital national project — the Multi-Function Polis, or MFP.

Its foundations are already well entrenched. Adelaide is a university city whose existing institutions have a strong history of innovation and research. In many ways, MFP-Adelaide is a logical extension of what South Australia has been planning for a number of years. This was one of the important factors in its selection as the MFP site.

In some ways, it will follow paths consistent with those of Montpellier in France and Kansai Science City in Japan, grafting new technology industries and innovative urban forms and lifestyles onto an existing city in order to create a new dynamic.

Adelaide is already becoming a "systems city," with the linking of government, business and community

marinas and canals, private gardens, parks and public leisure areas.

The project will encompass the whole of Adelaide, however, with other core work sites providing focal points for particular clusters of research and related industries. The urban development innovations of the core sites will feed back into the city as a whole.

Every city is, in a sense, a multifunction polis. But only some are of the right size and offer the right physical and economic climate to undergo a purposeful transformation from haphazard industrial and urban development into a carefully planned and functional city of the 21st century.

The idea for an Australian multifunction polis was put forward in 1987 during discussions between the Australian and Japanese governments. The original concept was a "city of the future" with themes of people, technology and environment and an underlying ideal of achieving a milieu in which work, learning and recreation would be integrated.

The vision has been maintained and translated into a workable proposal appropriate to Australian needs. In 1988, the Australian and Japanese governments established an MFP joint steering committee with support from public and private sectors in both countries.

In July of this year, after nearly four years of feasibility studies, the federal and South Australian governments gave the project its final go-ahead, clearing the way for the establishment of an MFP-Adelaide development corporation to oversee the project.

About six months earlier, an international advisory board had been established to advise on the MFP's development as an international project and to create links with investors and institutions around the world.

Among its members is Prof. William Miller of Stanford University in California, who believes that the technopolis concept underlying the MFP can work as well in Adelaide as it has in the United States, Europe and Japan.

"Different developments could have different themes," he says. "But the central theme of MFP-Adelaide is research-based, education-based economic growth and environmentally sound, balanced urban living."

He points out that Adelaide already has an impressive research and educational infrastructure, including three universities, Technology Park, Science Park, a microelec-

tronics center and the South Australian Technology School of the Future.

"These institutions, working together, provide a unity of education, academic research and industrial research and development that prepares this community to become a major player in the growth area of the world economy," he says.

Interim chief executive officer of the MFP-Adelaide project, Bruce Guerin, says the new city "might have been simply the national science and technology center, but it has taken on a life of its own. It is bringing together the national development thrust, but in an innovative urban environment." Mr. Guerin says the national commitment to the multifunction polis is now in place. So, too, are the commitments of the host community, the state government, the academic and business communities and the people of South Australia. "A clear majority support it," he says, "although many are not yet sure what it means for them."

In a recently published book on the MFP's brief history, the Australian broadcast journalist Walter Hamilton says of the MFP-Adelaide core urban development site: "It has no tropical beaches, no resident foreign investors, no international profile, no obvious claim to host a 'city of the future.'"

"But, notwithstanding, it is the best choice because it has the best state development plan and because its very disadvantages sum up what the multifunction polis must be equipped to conquer."

"It must enhance the land on which it is built, not exploit it; it must draw new foreign investment, not coddle existing investment; it must have its own international identity, not graft one to existing fame; and it must be a new kind of city project, not a replay of ongoing developments."

The South Australian premier, John Bannon, believes the MFP could create more than 40,000 new jobs within 20 years and increase the state's gross product by US-\$8 billion.

"It is," he says, "the type of project Australia has to have if we are to become the Clever Country of the 21st century."

This advertising section was written by Nigel Hopkins, a features writer with the Adelaide Advertiser.

Top Local Resource Is Information

Information technology is bound to change the way we live and work in the 21st century. There can be little doubt that it will also be the dominant feature of future industrial and commercial activity.

At Technology Park Adelaide and the Software Export Center, South Australians have been working with advanced information and communications technology for many years.

This provided the basis for two major developments announced this

year. The first is a state-wide Information Utility, the only one in Australia and one of few in the world, in which a worldwide communications network will be set up by a consortium of international companies. The second is approval to set up a Signal Processing and Research Institute at Technology Park Adelaide.

Computer grid to function statewide

The Information Utility has been likened to a power grid, with computing power, instead of electricity, on tap. Public and private enterprises will simply plug into a vast information network, ranging from business support services and electronic mail to entertainment information and personal banking services.

The Signal Processing Research Institute, an important new strategic research initiative in Australia, will draw together resources from South Australia's three universities and the Defense, Science and Technology Organization as well as major space, defense and electronics companies.

"It's a massive fitting together of signal processing people," says the institute's director, a former chief defense scientist and head of DSTO, Prof. Hen-

ry d'Assumpcio. He emphasizes that the institute will work closely with industry to ensure commercial spinoffs.

The institute will also contain the Australian Space Center for Signal Processing — the only one of its kind in the Australasian region and the largest digital signal processing resource outside the United States and Europe — and the Center for Sensor Signal and Information Processing.

Together, these bodies will constitute one of the strongest concentrations of signal processing expertise in the world, under-

The MFP project could create more than 40,000 jobs within the next 20 years

through low-cost communications and computing technology. The MFP will expand those links to the rest of the world and, in particular, the Asian and Pacific regions as Australia enlarges its role as a bridge between Western and Eastern economies.

MFP-Adelaide will be simultaneously an urban and community development, a center for research and education and a focus for international business investment in new and emerging technologies. These will include information technology and telecommunications, advanced learning technology, environmental management, health and urban and community development.

Although the existing high-tech institutions and industries in the city will be integral components of MFP-Adelaide, major development will focus on the northern edge of the city with a series of state-of-the-art residential villages containing a projected population of around 50,000. This area will also house an element of the MFP Academy and several national research institutes.

The core urban development is planned to offer residents advanced communications systems, a high degree of environmental responsibility, access to advanced research and educational institutions and proximity to high-tech industries, all in a maritime environment with

Research Centers Will Be Linked

The development of an international city of the future, which is the vision for MFP-Adelaide, would be impossible without the existence of strong intellectual and technology-based foundations on which to build it.

The new urban settlement at Gillman will epitomize the MFP theme and provide a focus for many of its industries, skills and technologies. South Australia's minister of industry, trade and technology, Lynn Arnold, says it is a "total

space Australia. Hawker De Havilland and Aerospace — is aiming to break into the US\$40-billion-a-year civil space market. It has plans to reactivate the Woomera rocket launch site in the far north of South Australia and establish a launch vehicle service.

A defense and aerospace hub

A space industry and research complex will be established within the MFP framework for the clustering of aerospace companies and research agencies. South Australia-based firms have been allocated the great majority of the "smart" technology requirements of the nation's space and defense industries.

In 1982, the South Australian government established the Technology Development Corporation, which now manages two research parks.

The first to be set up was Technology Park Adelaide, close to both DSTO

at Salisbury and the Gillman MFP site, and the first of its kind in Australia. It is regarded as a major success, at present housing some 60 companies working in the fields of information technology, electronics and computer software.

The other is Science Park, which opened this year. The 30-hectare (75-acre) complex will focus on biological sciences and medical technology research in association with the nearby Flinders University and Flinders Medical Center.

The University of South Australia and the University of Adelaide are two more valuable nodules with wide reputations.

Says Mr. Arnold: "Another important existing link is the Waite Agricultural Research Park, which incorporates the water and soils divisions of the CSIRO, the University of Adelaide's Waite Institute and the State Department of Agriculture's research and development facilities."

Gillman itself will become one of the key nodes. Apart from its role as a public focus for up-to-the-minute urban development, Mr. Arnold says, it will house a cluster of research and development activities of great significance to the overall MFP-Adelaide project.

Another major building block of the Gillman node will be the World Environmental Management Center, with educational and resource facilities incorporating the research program of a new National Environmental Protection Agency.

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Not Only a Smart City, but a Congenial One, Too

Adelaide had to battle hard to be nominated as the site for Australia's first Multi-Function Polis. It won not only because the core site of the MFP development met every criterion of the concept; the city also provided an ideal social and physical environment for international participation.

Adelaide is often described as the most livable city in Australia. With a population of around a million, it remains a relatively compact and accessible city. Yet its size provides sufficient critical mass to attract economic, industrial, educational and cultural activity at a sophisticated level.

It is the capital of South Australia, the fourth-largest of

The capital of the local wine industry, which is reflected in its restaurants

Australia's eight states and territories. An asset of growing significance is its central location, bordering all other mainland states, making it a natural transport center for the nation.

Adelaide's container port is the most efficient of its type in Australia. Adelaide also is the headquarters of the



Adelaide offers a Mediterranean-style climate and high standard of living.

national rail service, and its international airport, 15 minutes from the city, has direct flights to many Asian and European destinations.

Says the director of the Department of Industry, Trade and Technology's, Peter Crawford: "The transport hub project will develop Adelaide as Australia's most reliable international express-freight gateway and domestic distribution center. It will become a key destination and, in some cases, the sole destination for ships and aircraft."

Traditionally strong in agriculture, raw materials and automobile production, South Australia has diversified into a wide range of manufacturing industries of international standard.

In particular, Adelaide has emerged as the focus for Australia's technology-based industries; South Australia is recognized as Australia's most technologically ad-

vanced state. Successive governments have encouraged this direction to the extent that South Australia now has more than 500 companies producing high-tech products.

Areas of particular strength are defense-related advanced electronics, microelectronics, information technology and software, biotechnology and medical technologies and communications. One of the world's largest optical firms and Australia's largest pharmaceutical company are located in Adelaide.

This receptive industrial and intellectual environment is almost overshadowed by the natural, environmental attributes of the city.

Adelaide enjoys a classic Mediterranean climate with long, sunny summers and mild winters. Housing is spacious and cheap by European standards. The city offers clean air, unpolluted beaches and uncongested roadways. Educational standards are high; crime levels are low. Health-care standards are among the best in the world. Adelaide also has a strong cultural tradition and holds a world-class arts festival. It is the capital of the nation's wine industry, which is reflected in its excellent restaurants. It is the site of a Formula One grand prix.

One way of attracting the best people is to offer them the best lifestyle. In this regard, MFP-Adelaide is following the successful example set by the French high-tech park Sophia Antipolis.

It is not surprising that Georges Freche, mayor of Montpellier, another French technopolis, is an ardent supporter of the MFP-Adelaide project. "We prefer Australia to Japan or China," he says. "I feel more at home in Adelaide than Tokyo."

AMERICAN TOPICS

In California, Nature Again Asserts Itself

The disastrous fire in the hills of Oakland and Berkeley, California, broke out in an irrigated semi-desert environment that was "as beautiful as it was artificial, fragile and dangerous," Robert Reinhold writes in *The New York Times*.

Kevin Starr, a historian at the University of Southern California at Los Angeles, said: "The fire underscores the fact that all of California is a vast artificial environment. We are constantly being reminded what an artificially engineered construct the built environment of the entire state is, and consequently how fragile."

Mr. Reinhold writes: "It is no small irony that the land early adventurers pronounced unsuitable for human settlement as well as much agriculture is now both the most populous state and the leading farm state in the country. This was achieved with a massive rearrangement of the environment that snubbed nature."

Huge dams and aqueducts were built to channel water from distant mountains. Bridges and huge freeways knitted together far-flung towns into huge metropolises. And houses were propped up against canyon walls.

In addition to droughts, floods and fires, the state is vulnerable to earthquakes. Yet little of this seems to have dulled the allure of California. The state grew by 6.1 million people in the 1980s, to nearly 30 million. The population continues to grow by more than 10,000 a week. Some experts estimate the population could double by the year 2025.

Short Takes

Ted Turner, founder-owner of Cable News Network, says he knew CNN was being used by Saddam Hussein when the Iraqi leader let CNN's Peter Arnett broadcast from Baghdad during the Gulf war. "Sure, we knew we were being used," he

said in a broadcast interview. "But we're used by the U.S. government, too, whenever we go to their press conferences. They're using us, too. Everybody uses us. Everybody uses everybody else."

Six-man football, invented by Stephen E. Epler in Chester, Nebraska, in 1934, quickly spread to hundreds of small high schools throughout the country. The sport had died out almost completely by the 1960s as school consolidations permitted the fielding of regulation 11-man teams. But with rural communities shrinking, those consolidated schools are losing enrollment as well, and the six-man game is coming back. Normally, three men each are in the line and the backfield. Since everybody is eligible to handle the ball, it is a wide-open game, usually with far higher scores than 11-man football. "It's the only thing in town," said Roger Hill, principal and coach at Chester High, which has 41 students. Fifteen of the 19 male pupils are members of the team, and two of the other three are student managers.

Freak Deaths: A holdup man was shot and killed by an accomplice after the intended victim ducked, authorities in New Brunswick, New Jersey, said. The holdup victim said he sensed he was about to be shot, so he ducked. The bullet struck the accomplice in the temple. The gunman was charged with murder. • In Perris, California, Hal Irish, 29, fell to his death during a bungie jump from a tethered hot-air balloon. The cord became unhooked from his harness as he was rebounding from the low point of the jump, and he fell 70 feet (21 meters). It was apparently the first bungie-jumping death in the United States.

Linda Lou Essex Chandler, listed in the Guinness Book of World Records as being the most frequently married woman ever, has filed in Anderson, Indiana, for an annulment of her three-week marriage to husband No. 22, Mrs. Chandler, 51, cited fraud but gave no details.

Arthur Higbee

As Bargaining for Choice Jobs Starts, Party Hails Miyazawa



Winners and losers at the party conference Tuesday in Tokyo: Kichii Miyazawa, second from left, the new Liberal Democratic Party leader, and Prime Minister, Toshiki Kaifu, are framed by the two losing candidates, Hiroshi Mitsuoka, left, and Michio Watanabe.

Compiled by Our Staff From Dispatches

TOKYO—The Liberal Democratic Party put the stamp of approval on Kichii Miyazawa's election as party president on Tuesday, clearing the way for his formal designation as prime minister next week.

While Mr. Miyazawa, 72, took the stage, the party chieftains got down to the next business at hand—tense negotiations over allocating posts in the cabinet and party leadership.

A buoyant Mr. Miyazawa bowed almost to the ground to cheers of "Banzai!" after he was formally installed as party leader by more than 500 legislators and regional representatives at a convention here. He was elected party president on Sunday in the first partywide election in nine years.

While several elderly party leaders dozed on stage, Mr. Miyazawa pledged to carry out his responsibilities.

"I am ready to do my best for peace and prosperity of Japan and the world," said the new leader, who takes over the prime minister's office from Toshiki Kaifu next Tuesday.

Reiko Tamura, a political commentator, said, "It's just like Kabuki, where actors go through the motions in a play that has been performed for generations."

The performance began more than two weeks ago when the large-

est, king-making party faction controlled by Shin Kanemaru and, to a large extent, the former prime minister, Noboru Takeshita, selected Mr. Miyazawa for the post.

The backing of this faction virtually assured Mr. Miyazawa of victory in the three-way ballot on Sunday for the party presidency, which brings with it the prime minister's office because of the party's majority in the lower house of parliament.

LDP legislators and supporters attending a reception afterward at the prime minister's residence openly criticized the way Mr. Miyazawa was selected.

Mr. Miyazawa, indebted to Mr. Kanemaru, is expected to defer to him on decisions involving major policy and cabinet appointments.

"The process by which he was chosen does pose a problem," said Tsutomu Hata, himself a member of the king-making faction and a Kanemaru protégé.

"It's not democratic, and we must rectify the situation," said Mr. Hata, widely touted as the next finance minister.

Another legislator, Yoshitaka Murata, said: "Kanemaru wanted to keep an iron grip on power after his faction decided not to field its own candidate for the leadership. That's why he made his move before the election."

He added that Mr. Miyazawa "probably would have won anyway."

(Reuters, AFP, AP, UPI)

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fuel consumption and fewer emissions. In order to ensure that our young fleet stays young, we invest over DM 1 billion annually in an uncompromising servicing and maintenance programme, which is backed by over 11,500 highly qualified technicians. Perhaps that's also why over 180 other airlines ask Lufthansa to service their own aircraft. So why not fly advanced technology? Fly with us.



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Visa-Free Entry to Kurils Is Limited, Japan Says

Reuters

TOKYO—Japanese citizens' visa-free entry to the disputed Kuril Islands will be restricted to former inhabitants, officials and journalists, the Japanese Foreign Ministry said Tuesday.

Earlier this month, Foreign Minister Taro Nakayama of Japan and Foreign Minister Boris D. Pankin of the Soviet Union signed an agreement enabling Japanese citizens to visit the Soviet-held islands without visas.

On a reciprocal basis, Russian islanders would be allowed to visit Japan, a Foreign Ministry spokesman said. Details of such visits were to be worked out later, the spokesman said.

The islands, occupied since 1945 by the Soviet Union, are claimed by Japan. The issue has blocked the signing of a World War II peace treaty between the two nations.

In a separate statement, the chief Japanese government spokesman, Misoji Sakamoto, said Japan still regarded the islands as Japanese, and stressed that the agreement for visa-free exchanges was temporary.

"This kind of exchange increases our mutual understanding and opens up the possibility for a return of the northern territories," Mr. Sakamoto said.

The governing Liberal Democratic Party said Tuesday in a declaration at its convention that it had begun to see light at the end of the tunnel over the territorial issue.

Kichii Miyazawa, who is to succeed Toshiki Kaifu as prime minister next week, said Japan must assure the Russian islanders that their livelihood would not be threatened.

Sir Andrzej Panufnik, Polish Composer, Dies

By Allan Kozinn

New York Times Service

Sir Andrzej Panufnik, 77, a Polish-born composer and conductor who with Krzysztof Penderecki and Witold Lutoslawski established a distinctive contemporary Polish style, died in London on Sunday.

Sir Andrzej, who was knighted this year, left a large and varied legacy that included 10 symphonies and many orchestral works, concertos, a catalogue of chamber works and a sizable body of vocal music.

Many of his works embodied extramusical associations, sometimes naturalistic or mystical and often political. His "Sinfonia Voiva," for example, was a response to the Gdansk shipworkers' strike and the Solidarity movement in Poland in 1980, and he dedicated his 1986 Bassoon Concerto to the memory of the Reverend Jerzy Popieluszko, a priest who was tortured and killed by the Polish secret police.

His most recent work was a cello concerto, completed two weeks ago. It is to be given its premiere in June by the London Symphony Orchestra, with Mstislav Rostropovich as the soloist.

Sir Andrzej was born in Warsaw. His father, Tomasz Panufnik, was an instrument maker and author, and his mother, Matilde Tonnes, was an English violinist. It was from his mother that he had his first music lessons, and he was composing when he was 9.

He began his conducting career in 1945, when he was appointed director of the Krakow Symphony. He became director of the Warsaw Symphony in 1946, and toured frequently as a guest conductor of both Polish and Western orchestras.

In Poland, his works won several awards, including the Szymanowski Prize for his Nocturne (1947), and the Chopin Prize for his

"Sinfonia Rustica" (1949). He was given state prizes in 1951 and 1952, and his "Heroic Overture" won a gold medal at the 1952 Olympics in Helsinki.

In July 1954, while in Zurich to conduct some of his own works, he slipped free of his escorts and made his way to London, where he was granted asylum. London was his home for the rest of his life.

William Galbraith, 55, Controversial Tory

CHELTHAM, England (AP)—William Galbraith, 55, who was expelled by the Conservative Party after making a racist remark about a parliamentary candidate, died here Monday. The Press Association said he was believed to have been suffering from cancer.

Mr. Galbraith, a self-employed publisher, was awaiting trial on three counts of inciting racial hatred. The charges stemmed from a slur against John Taylor, a black lawyer who was selected as the Tory candidate for Cheltenham, northwest of London.

Other deaths:

Jimmy James, 83, a renowned aboriginal tracker who once found a missing child by spotting blood on a wire fence from 20 paces, in Adelaide. He helped capture more than 40 criminals while working as a tracker across Australia between 1958 and 1984.

John Kobal, 51, founder of the photographic archive known as the Kobal Collection, Monday in London of AIDS-related pneumonia.

Sylvia Fine Kaye, 78, a producer, lyricist and composer, Monday in New York City of emphysema. She was the widow of Danny Kaye and wrote the music and lyrics for many of his movies, including "Up in Arms" (1944), "Wonder Man" (1945), "The Kid from Brooklyn" (1946) and "The Secret Life of Walter Mitty" (1947).

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A New Look for Japan

Extraordinary economic success has made Japan a superpower, yet its international profile has remained remarkably low. That is changing dramatically now, and the change will accelerate after the election this past Sunday of Kiichi Miyazawa as Japan's incoming prime minister. Mr. Miyazawa is an intellectual in politics, given to thoughtful reflection about Japan's postwar humiliations, present economic power and future global responsibilities. He is also a veteran broker within the ruling Liberal Democratic Party, with the clout needed to build consensus policies and make them stick.

Perhaps most important, he is a committed internationalist with a strong command of English and a good understanding of the United States. Tokyo and Washington will not always agree during Mr. Miyazawa's tenure, but they will understand each other's needs, a decided plus.

Toshiki Kaifu, the outgoing prime minister, enjoyed public esteem and was free of the personal financial taint that stains many Japanese politicians, including Mr. Miyazawa. But Mr. Kaifu remained a front

man, a caretaker. When he pressed too strongly on issues like political reform and international peacekeeping, he was rudely dumped. Mr. Miyazawa is a dove on military issues, supporting a restrictive interpretation of Japan's U.S.-sponsored peace constitution. He disagrees strongly with nationalists who urge Japan to say no to the West and reassert power in Asia.

Mr. Miyazawa's term of office, following the collapse of Soviet military power, will likely see steps toward a settlement of the territorial dispute involving the northern islands, careful diplomatic initiatives toward North Korea and a reformulated security relationship with the United States. It is also likely to see increased Japanese participation in international peacekeeping and economic development. Japanese resources are indispensable to meeting the capital needs of the former Communist states. That is an agenda that the United States ought to welcome. President George Bush will have a chance to do just that when he visits Japan in a few weeks.

—THE NEW YORK TIMES.

Zambia Unlike Zaire

People in the neighboring African countries of Zambia and Zaire have been in the streets, but with starkly different objectives in mind. Zambians by the thousands are attending rallies leading up to parliamentary and presidential elections set for Thursday. Zairians, on the other hand, simply want to run their president out of the country for not sharing power with opposition political forces. There are good reasons to support both purposes.

Clearly, the people of Zambia and Zaire have been owed something better for a long time. Both have suffered under decades of authoritarianism and one-party rule. Both have known economic misery resulting from mismanagement and, in Zaire's case, massive corruption. And both have had to resort to violent protests to convince their leaders of the need to accept political reform. Zambia's saving grace is that President Kenneth Kaunda has ended his holdout against democratization, is now supporting multiparty elections and is campaigning for the presidency himself. In contrast, Zaire's Mobutu Sese Seko—of whom it is said by Representative Stephen Solarz, a member of the House Africa affairs subcommittee, that he "has established a kleptocracy to end all kleptocracies, and has set a new standard by

which all future international thieves will have to be measured"—just won't let go. But, as in the case of Zambia, Mr. Mobutu also must recognize realities and bow to the changes sweeping Africa, or he will risk being swept away in the process. Single-party states led by largely corrupt strongmen are fading fast in sub-Saharan Africa, along with the discredited statist economic policies they brought with them. Unlike times past, when a corrupt but strategically important leader like Mr. Mobutu had only to play his Communist card at the first sign of Western impatience with his outrages, today's Soviet-free world has little use for him. Those countries that once were his props and protectors are freeing their citizens and their aid funds from the chaos of Zaire as fast as they can.

Zambia, however, warrants different treatment. There should be a readiness to assist that country as it undergoes the transition to democracy. The United States and other major foreign aid suppliers have conditioned their economic assistance on the willingness of nations to pursue free and fair elections that produce democratic governments. If Zambia comes through this week, so should the United States.

—THE WASHINGTON POST.

A Shaky Polish Start

The Polish election returns reflect the strains on a society undergoing a historic transition. The most significant aspect of this election was the extremely low number of people, two out of every five eligible voters, who showed up to cast ballots. It was Poland's first fully free election in more than 60 years, and that in itself constitutes a triumph. Perhaps the low turnout mainly reflects a temporary loss of direction among people who have carried out a successful revolution and now need time to get their bearings.

But the country is passing through a dangerous period. The costs of the economic reforms have become painfully clear, while the benefits have not yet begun to arrive for any but an adventurous few. President Lech Walesa stoutly says that he will stick with the reforms, but he and everyone in Polish politics will now be under severe pressure to mitigate and delay them. His economists rightly tell him that, as in surgery, it is better to work fast; delay only prolongs the trauma. But people see their accustomed security and their jobs disappearing with, so far, little assurance of what is to follow. For them, politics has become a test of stamina. Most of the electorate is clearly unwilling to vote for former Communists or the other enemies of the postrevolutionary government, but oth-

er do they see much to vote for. They have suspended judgment—a posture that suggests instability ahead, particularly if the economy fails to strengthen. Because the vote was split among many factions, the next government will necessarily be a coalition, presumably run by the various heirs of Solidarity. While there are deep divisions among them, they will be working under the shadow of the last free Polish parliament, in the 1920s, in which 31 parties contended. That parliament's end, in a military coup, will stand as a warning to the one elected on Sunday.

But the comparison between those two parliaments and their circumstances gives grounds for real optimism. Then Poland was confronted by hostile and aggressive neighbors on both sides. Today there is no foreign threat. Then Poland was being whipsawed by the economic chaos that was destroying new democracies throughout central Europe. Today it benefits from the massive prosperity of the European Community on its western border. After two centuries of foreign subjugation broken by only one brief interlude of independence, Poland may at last have arrived at a time when history gives its courageous people a chance to gain experience in elected self-government.

—THE WASHINGTON POST.

Other Comment

Japan in a Changing World

The election of Kiichi Miyazawa to the leadership of the Liberal Democratic Party is likely to lead to a period in which continuity and change are mixed, with the emphasis on the former. At a time when trade issues could threaten to become politically unmanageable, it is good that someone like Mr. Miyazawa should be bringing to the premiership a keen understanding of the importance, for both Japan and East Asia, of good relations with the United States.

On the foreign front, Japan's need to find a new international role in the post-Cold War world has been apparent for quite some time. His predecessor, Toshiki Kaifu, attempted to nudge that process forward in the aftermath of the Gulf war but had rather poor results. As pressures to match Japan's economic might with a global political role increase, not least in Washington, Mr. Miyazawa will be pressed to find policies that give Tokyo this role without frightening its Asian neighbors with the prospects of a militarily resurgent Japan. Mr. Miyazawa's intellectual sharpness, his experience in government and his understanding of the geopolitical terrain in which his country operates are valuable assets in making creative changes to lead Japan into the new world.

—The Straits Times (Singapore).

Volleys Before the Talks

A few hours before the start of the Middle East peace conference, emotions are riding high and the war of words has been raging in the area. Prime Minister Yitzhak Shamir is firing one provocative statement after another. To signal no compromise, he has made a point that the bulk, if not all members, of the Israeli delegation to the talks are hard-liners. He has even included a settler in his team in order to make it plain that no mention should be made of halting the building of Jewish settlements in the occupied Arab territories.

In the Arab camp, there are some maverick voices that have been clamoring for boycotting the parley. A sellout of the Palestinian cause is the target of the Madrid conference, allege such rejectionists. The other day, Tehran was the venue for a conference whose rallying banner was to come out with schemes to subvert the Madrid gathering and protect the Palestine cause against the conspirators. Volleys of threadbare speeches were launched. However, the majority of Arabs, including the Palestinians, have been left unimpressed. They realize quite well that such rhetoric and inefficient slogans have played into the hands of Israel for over 43 years.

—The Egyptian Gazette (Cairo).

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Shamir Plays Madrid With a Serious Act

By Jim Hoagland

MADRID—Yitzhak Shamir has never been accused of lacking practical political sense. That is why his decision to lead the Israeli delegation to the Middle East peace conference this week, over the objections of Jim Baker, is a promising omen for the talks rather than the threatening sign perceived in Washington.

Mr. Shamir has thrived in the Israeli political hotbed by emulating what good politicians do in any system: They identify and steer clear of failure; they tuck up to success and its reflected glory.

If he intended to sabotage Mr. Baker's conference, he would have gladly sent his foreign minister, David Levy, to Madrid as the American secretary of state wanted, and then undercut the talks from afar. That he has come to Madrid to take responsibility and control shows how uncertain the outcome is in his own mind.

His presence is fitting. The prime minister's granitic resistance and his tunnel vision have helped determine the conference's tone and parameters. Along with Mr. Baker and Saddam Hussein, Mr. Shamir has shaped the personality and chances of this meeting more than anyone else.

He refused to budge until Mr. Baker and the Arabs met his terms. That he is now bending those terms slightly by not inquiring too closely into the concessions of the Palestinian delegates with the PLO is a sign not only of his pragmatism but also of his comfort level with the way things are going.

Mr. Shamir was aware that there will not be any discussion of a decision on the final legal status of the West Bank and Gaza territories in these negotiations, which will cover a limited autonomy status for the Palestinians to last for at least five years. He in effect offers the Palestinians what they could have had through the Camp David accords a decade ago but which they turned down then.

The West Bank and Gaza residents who are attending this meeting with proxy votes from the PLO obviously hope to do better than that. But the damage that Saddam's Gulf war did to them and their cause has left them in a weak bargaining position. The Palestinians have made all the concessions that Mr. Baker asked in his

The Bush administration is committed to squeezing and enticing Shamir into gradually doing what he says now he will never do: trade land for peace.

tireless effort to show that the Bush administration can make peace as well as war in the Middle East. The Palestinians have little left to concede.

The outlook then is for a long, slow and difficult negotiation that will drag on into a probable second Bush term with a series of manageable flash points and crunches along the way. That suits Mr. Shamir's purposes. And it may well suit the needs of President Bush and of Secretary Baker if they can keep all parties on board.

"America has always been committed to a halfway house as an outcome" of the conflict, says a senior U.S. official. "The outcome we want to see has to go a long way toward meeting Palestinian aspirations for control over their own lives, and that means giving them some land. But we cannot fully satisfy those aspirations since we will not back a Palestinian state at any point in this process."

The United States "also will never be able to fully satisfy Israel's concerns about security. We have to see that those concerns are met as much as they can. We aim to start a process that works toward an outcome that no one can imagine today but which we will define as the negotiations themselves come to life with each other."

The Bush administration is committed to squeezing and enticing Mr. Shamir into gradually doing what he says now he will never do: trade land for peace. Mr. Bush's preferred outcome would be an Israeli withdrawal from most, but not all, of the territory occupied in the 1967 Arab-Israeli war.

This has been the outcome favored by all American presidents since 1967, but circumstances give Mr. Bush a better chance of achieving it than any of his predecessors had. Mr. Shamir knows that he must be in Madrid if he is to attempt to control the historic forces unleashed by the collapse of the

Likud Is Irrelevant

SURELY there is no doubt in anyone's mind that the Madrid conference has one overarching theme: trading land for peace. Surely the Likud ideologists must recognize that Israel's mere presence at the conference suggests that some kind of compromise on land for peace is thinkable.

The reality is that over the longer term, Yitzhak Shamir's Likud is now irrelevant to peace. An inexorable process toward settlement is under way that will make Mr. Shamir's position untenable. Only if he is prepared to compromise his essential principles and relinquish some of the territories will he have a role in the process.

Otherwise, if he clings to the territories as the heart of his vision of the future Israel, he is doomed to be swept aside—by an Israeli public that finds scant comfort for the future in the dry stones and bitter passions of the West Bank and Gaza. For in the end, Likud policy would not seem to reflect the yearnings of an Israeli public that seeks peace and security. Mr. Shamir cannot offer them peace, and his vision of security is deeply flawed.

—Graham Fuller, a former vice chairman of the National Intelligence Council at the CIA, commenting in The Washington Post.

Soviet external and internal empires, the Gulf war and America's growing temptation to turn inward.

Borders older than modern Israel's are being changed in Europe and the lands to the south of Russia. Upheaval in Iran, Afghanistan and Iraq threatens (or promises, depending on your point of view) fundamental political and geographical change on Israel's periphery. Syria's open control of Lebanon, where Israel also has a military presence, provides a useful by-product. Israel and Syria have a subject for discussion in Madrid other than the more contentious Golan Heights.

Mr. Shamir has concluded that Israel is not immune to these winds of change after the long period of immobility he has provided. He is right to come. Madrid is worth the trip.

The Washington Post.

Palestinians Aim to Prove That They Mean Business

By Sari Nusseibeh

JERUSALEM—The Palestinians' aims at Madrid should be intermediate and long-term. The ultimate goal, to be reached six years from the beginning of the talks, is a Palestinian state with East Jerusalem as its capital. It must be part of a new integrated

In the final analysis, it is Israeli public opinion that will tilt the balance.

economic order in the region based on open borders and cooperation.

To guarantee an atmosphere conducive for successful talks, Israel should freeze its settlement activities. It should also alleviate the harsh conditions of the occupation. Such steps

might include the suspension of the tax-collection campaign being forcefully waged; the release of Israeli prisoners and detainees; the reopening of universities, research and press centers and the withdrawal of troops from Arab population centers.

This can create the climate of public support and confidence necessary for the Palestinian negotiators to proceed. The intermediate aim can be achieved through negotiating an interim self-government that has the power to lay down the institutional and economic infrastructure of the future state.

The first and most important hurdle to overcome is the settlements issue. Israel's willingness to stop appropriating land and building and enlarging settlements will test not only its intentions

but also the international community's—particularly America's—commitment to a genuine peace.

Palestinians must work on the assumption that they can positively influence each stage of the peace process through their own acts. This can be done by measures that will help create a climate among Israelis that will support concessions.

By declaring their readiness to suspend the intifada, in return perhaps for a freeze on settlements, and declaring a moratorium on all acts of violence, the Palestinians might help convince undecided Israelis that they really are serious about the peace process. Steps like these to overcome Israeli apprehensions hold the key to keeping up the momentum of the process starting in Madrid, even if that round of negotiations fails.

With each act of disengagement that Israel makes further down the line, the Palestinian side has to reassure Israel that it is in Israel's interest—not a zero-sum game in which one side wins and the other loses.

Whether the first round of negotiations succeeds or fails, Palestinians must use the opportunity to transmit the message to the average Israeli that they mean business, that they are committed to peace. In the final analysis, it is Israeli public opinion that will tilt the balance in favor of this development or that.

The writer, a member of the team advising the Palestinian delegation to the Madrid conference, contributed this comment to The New York Times.

The Road Leads to Two Homelands—One for Each

By A. M. Rosenthal

NEW YORK—The road forward was mapped clearly for the Palestinians by the United States, Israel and a single Arab leader spectacular in bravery. That was in 1978. The proposal put together at Camp David will be on the table again in Madrid, 13 wasted years later.

In 1978 the plan endorsed by Anwar Sadat, Menachem Begin and Jimmy Carter was the only logical and feasible road for the Israelis and the Palestinians to follow. It still is.

But then as now, Middle Eastern myth and distortion that have become accepted as reality worked against a solution. The hope is, as always everywhere, finally looking at reality plain.

The proposal was and is for five years of self-government for Palestinians of the West Bank and Gaza. During that time, Israeli-Palestinian talks about the future would take place. Israeli military security would be less obstructive, but maintained.

The leaders of the Palestine Liberation Organization and the Arab states furiously rejected the proposal because they knew it would mean the end of the war-to-the-death against Israel. Yitzhak Shamir, then speaker of the Knesset, opposed self-government because he knew it could mean that total Israeli sovereignty over the West Bank and Gaza could be watered down.

Now Mr. Shamir goes to Madrid to negotiate about taking that road. He has not abandoned Israel's political and historical claims. He hopes that Palestinian self-government will remain au-

tonomous, not become the new Palestinian state that he sees as militarily an Arab invasion pad, just short of suicide for Israel. But he is hardly naive. He knows that creating an autonomous Palestinian government would also create new pressures. Standing still on autonomy would become more difficult every year. For peace, he is now taking a risk that he was not ready to accept in 1978.

The Palestinians who show up in Madrid also have moved. They are willing now to talk about an interim solution—which once would have meant a bullet in the head from the PLO. Weakened by decade after decade of failure, the PLO had to agree for the moment.

But the great distortion of the Mideast, which inspired half a century of war against Israel, remains alive to fuel more decades of disaster. That is the myth that the entire problem was created by Israeli occupation of the West Bank, and cannot be solved without creating a separate Palestinian state.

The historic background to Madrid is that the Arab war against Israel began long before its independence, that the West Bank was seized and annexed by Jordan in 1948 without any niceties about it belonging to "Palestine," and that it was taken over by Israel after the 1967 Jordanian attack against Israel. It was captured not from nonexistent Palestinian forces but from the occu-

pation troops of King Hussein. Ever since, the king has been kept in power by the charity of other Arab monarchies, the passion of Arabists in Western foreign offices and the self-interest of Israel. For four decades they all protected him against his enemies, like the PLO and the Syrians, and his idols, like Saddam Hussein.

That does not eliminate the desire of Palestinians for a homeland—a mistake made by those Israelis who started through Palestinians. But it does underline the reality that the Palestinians have one homeland already. It is occupied not by Israel but by Washington's prodigal ally, the little king.

Britain created his country in the early 1920s out of what was then eastern Palestine. They handed the land and the Palestinian population over to a favorite foreign prince, the king's grandfather, because he found himself without a throne to sit on.

Name changes cannot fool history. Jordan is Palestine. The solution is to connect an autonomous West Bank-Gaza with Jordan in a confederation that would recognize Israeli military interests on the West Bank—yes, and a shared economic future.

That will not happen at Madrid. But it could start if the United States, the Palestinians and the Israelis all so willed. Someday it will happen, sure as the Berlin Wall did come down, sure as Anwar Sadat did go to Jerusalem. It is the only solution that makes human sense. One homeland for Israelis, one for Palestinians—but for God's sake, just one each.

The New York Times.

Israel Will Be Negotiating for a Five-Year Transition

By Ze'ev B. Begin

JERUSALEM—The direct, bilateral Madrid negotiations can be fruitful only if they are free from external pressure by the conference sponsors, the United States and the Soviet Union, and from intimidation

The Likud government is ready to take serious risks.

by the Palestine Liberation Organization and other terrorist gangs. The road is going to be long and difficult, as Monday's killing of Israeli bus passengers in Samaria showed.

Perhaps there will be no immediate

results, but the very start of the talks is an important achievement.

Prospects may be brighter for the negotiations between Israel and representatives of the Arabs of Samaria, Judea and Gaza than between Israel and Syria. After 13 years of rejection, these Arabs have agreed to negotiate the implementation of the Camp David framework for peace.

Arab autonomy for a five-year transitional period, the heart of that framework, was originally proposed in 1978 by Prime Minister Menachem Begin, who happens to be my father. Together with the peace treaty

with Egypt in 1979 and the demolition of the Iraqi nuclear plant in 1981, the autonomy concept is a major Israeli contribution to peace.

In the first phase of the talks, Israel will try to agree on arrangements for a five-year period, which would include an administrative council to be elected by the Arab inhabitants of Judea, Samaria and Gaza. For that council, Israel will propose an extensive detailed series of powers and responsibilities. They will include administration of justice, administration of finance and a strong local police force. These proposals go far beyond mere "garbage collection," and some Israelis view them as inviting a tangible risk to Israel. However, to ensure positive results at the talks the Likud government is ready to take serious risks.

The Syrian-Israeli segment is not very promising. Syria adamantly refuses to define the goal of the negotiations as the signing of a peace treaty, exchange of ambassadors and establishment of full diplomatic relations. In exchange for the Golan Heights, so vital to Israel's security, it is ready to declare a "state of nonbelligerence," a sort of ceasefire. This intransigence indicates that the Syrians have replaced their

slogan of "territory for peace" with "territory for no-peace."

Syria refuses to at least negotiate some confidence-building measures such as arms control as part of the multilateral talks. The foreign minister has declared that he will not shake the hand of the head of the Israeli delegation. This typically unyielding Syrian approach is aimed solely at retrieving the Golan Heights through the offices of the United States.

If that is not bad enough, the Arab participants have decided to interlock progress in various segments of the talks. So the expected lack of progress in the Syrian-Israeli negotiations might paralyze the other ones.

But we should not lose hope. Israel goes to Madrid with an open heart, open mind—and open eyes.

The writer, a Likud member of the Knesset and son of former Prime Minister Menachem Begin, contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Retaking America

PARIS—The Society of the White Rose is an association of English curates and maiden ladies of romantic views, who desire the restoration of the Restoration. This is to be accomplished by restoring the state of things which existed when the last of the Stuarts went into exile. Among the purposes avowed at a public meeting which this amusing Society held the other day was the "reconquest of the revolted American colonies." The six curates and eight maiden ladies will naturally require that reconquest be undertaken by an army armed with flint-lock muskets and transported in old-fashioned frigates.

1916: Allied Victories

PARIS—A slight improvement in the weather on the Macedonian front has immediately been followed by a resumption of the Allied attacks, and fresh gains have been realized. The French troops operating on the Al-

lied left wing have inflicted a smart defeat on the Bulgarians. Immediately on the Serbian left they also made a successful attack and captured a strong system of enemy trenches.

1941: Vichy Bans BBC

VICHY—[From our New York edition:] In a decree to be promulgated tomorrow [Oct. 30] the Vichy government will prohibit Frenchmen from listening to the British radio and "certain other foreign stations which have been spreading violent anti-French propaganda for several months." The ban will include private homes as well as public establishments, and penalties will include closing public places for six months, fines up to 10,000 francs and imprisonment up to two years. The idea has been contemplated for some time by the Petain regime, but undoubtedly it was precipitated by General Charles de Gaulle's appeal from London for a five-minute general strike throughout France next Friday.

Gloom Over the Economy Means Trouble for Bush

By David S. Broder

SAN BERNARDINO, California — George Bush is learning the truth of the old adage, "When the economy goes wrong, everything goes wrong." The sour, defensive tone of his latest Washington press conference was a clear error in judgment of the edgy, apprehensive tone the voters I have been interviewing here in the self-styled Inland Empire.

While Mr. Bush busies himself in Madrid with resolving ancient enmities in the Middle East, the residents of San Bernardino County, which he carried handily in 1988, stew about the loss of jobs, the rise of crime and the influx of drug gangs.

Their dislike for politicians in general does not exempt Mr. Bush. International achievements count for little in their reckoning. The peaceful liberation of Eastern Europe, the end of the Cold War, the renunciation of communism in the Soviet Union and even the lightning victory in Kuwait might as well not have happened, so rarely are they raised spontaneously by voters. In four days of door-knocking, I did not hear one person mention Mr. Bush's achievement of finally getting the antagonists in the Arab-Israeli struggle into the same conference hall.

All that is buried under a rising tide of economic apprehension. Last Wednesday, Rockwell International held its first "job fair" for 300 employees of its local plant. The company's president, James H. Plunkett, Jr., canceled the mobile MX missile project. The prospect of their finding other jobs in the shrinking defense industry, company officials said, is dim.

Even for those still working, the headlines on local newstands last week sounded a drumroll of deepening concern. "Home Sales Faltering Locally," "Nationwide," "Office Boom Goes Bust," "Economy 'Absolutely Stalled,'" "Factory Orders Tumble: Unemployment Climbs," "Feds Warn of \$1.5 Trillion Budget Deficit." All this in five days.

ABC News Poll makes the first connection between the economic clouds and Mr. Bush's political defensiveness. In a trial heat against an anonymous Democratic opponent, Mr. Bush led 3-to-1 among those who thought the economy was holding steady or improving, but he was beaten 2-to-1 among those who said it was getting worse.

Unfortunately for him, the number of those feeling gloomy about the economy doesn't want to go back.

The Washington Post.

What the American people need least at this moment is evidence that Washington does not know what to do about the situation. Unfortunately, that is just what they got. With his economic advisers quarreling among themselves over the best course, Mr. Bush confessed on Friday that he was puzzled over what to do. "What's needed? What will help? I'm trying to sort that through."

He said he had offered stimulus suggestions, notably a capital-gains tax cut long ago, but he seemed reluctant to endorse other measures that might pump more juice into the lagging economy. He said he did not want to break the 1990 budget agreement and unleash a flood of new spending. "Let's be sure what we do helps," he said plaintively.

Mr. Bush has reason to be nervous. A year ago, when he swallowed his "no new taxes" campaign pledge and agreed to a budget deal with Congress, his economic advisers told him that was the way to assure that the starting recession would be over well before his re-election year. And that was vital, for as Mr. Bush well remembered, the 1982 recession dragged Ronald Reagan's approval ratings down to a scary 41 percent, before recovery set the stage for his landslide re-election.

The 1990 budget deal has allowed the Federal Reserve Board to lower interest rates, time and again, but that has not revived the economy — as textbook economics says it should. Barbara Greer, a local realtor, said, "We've got 8.5 percent interest, a perfect time for buyers who couldn't qualify before, but people are just scared to death of what might happen next, so they're not buying."

In this economic climate there is a real sting when the Los Angeles Times puts on its front page an article by the Tokyo correspondent, Leslie Helm, reporting a widespread Japanese "contempt for America" and its economic performance. One of the Japanese interviewed said the United States was fated to revert to the status of an "agrarian power — a giant version of Denmark."

That is where San Bernardino began, when this was all farmland. It sure doesn't want to go back.

The Washington Post.



LETTERS TO THE EDITOR

But What About Lebanon?

It was disturbing to see Secretary of State James Baker in Damascus listening to Syria's foreign minister, Farouk Shara, commenting that he would not shake the hand of his Israeli counterpart. How can the world believe in a genuine Syrian interest in peace when the rejectionist mentality is alive and well in Damascus?

If the Israeli hand is guilty of occupation and usurpation of Palestinian national rights, is the Syrian hand not guilty of the 16-year-long occupation of Lebanon and of converting an independent nation to a de facto Syrian province?

The sad side to this charade is the

endorsement by all key players of the policy of keeping Lebanon under the Syrian boot, supposedly until a solution is found to the "bigger" Middle East conflict. If, as is widely expected, the negotiations take years, then Lebanon is unfairly asked to remain indefinitely hostage to Syrian satisfaction in the peace process.

YOUSSEF S. HITT
Council of Lebanese
American Organizations,
Providence, Rhode Island

More Forced Repatriation

In response to a cartoon by Danziger with the caption "Forced repatriation explained" (Opinion, Oct. 9):

No one denies that the repatriation of these unfortunate people is harsh, but the camps in Hong Kong are at the breaking point. The United States has practiced forcible repatriation, sending back illegal immigrants from Mexico and Haiti. Recently the world witnessed shameful treatment by Italy of Albanian would-be economic refugees. Italy had to cope with only 10,000 whereas Hong Kong has 60,000.

BRIAN KNIGHT.
Singapore.

Gardening Is for the Birds: Stop Cleaning the Place Up

By Anne Raver

NEW YORK — The garden is something of a chameleon. You are planting a trumpet vine one day when you find a hummingbird poking its nose into those long orange flowers. You turn on the sprinkler and realize, from the way the barn swallows are flapping their wings on top of the fence posts, that they think this is their shower. And one morning there is a flash of yellow in the apple tree, and you think, but are not sure, that it is a yellow-rumped warbler looking for worms.

To me, the garden is a doorway to

any bird of prey until it leaves their territory.

A short-eared owl, which hunts during the day, came zooming out of the woods in a direct line toward Ms. Becker's head.

"He looked right at me," she said. "I met his eyes, and my heart jumped out. The hair on the back of my neck stood up." He flew into the woods on the other side of the meadow.

Just then, another hirder seemed to appear from nowhere and asked her: "Was that your first? Did the hair on the back of your neck stand up?" He told her that was exactly the way it was supposed to happen, according to an Indian legend. "When a man dies, his soul enters the owl, and if that owl looks you in the eye, the soul has made contact, and you become his friend," he told her.

The hair on the backs of our necks stood up. We listeners wanted to see our first. And Ms. Becker, a biology instructor who has been lecturing on birds for 10 years, told us just to keep looking for pellets — the regurgitated bones and fur of an owl lunch — beneath the conifers and tall pines on the forest's edge. Or the whitewash — excrement on the trunk of a conifer — that is the sure sign of a saw-whet, a friendly little owl that can fit in the palm of your hand.

You start out looking at hummingbirds sipping from trumpet vine and pretty soon you are hoping the owls will come eat your moles.

The manicured lawn discourages birds, which like to scratch around in leaf litter for worms and insects, take cover in varied levels of shrubbery and trees, and love the thickets provided by raspberries, hawthorn, juniper and low-hush blueberry.

They prefer the edible berries of ground covers like bearberry and cotoneaster to the ubiquitous but indigestible pachysandra and Boston ivy. They find sustenance in fields of corn stuhhle that are not plowed under. They feed on the seeds of ragweed and lamb's-quarter and amaranth.

They keep down feather lice by flopping around in dust baths, so give them one made of sand, loam and ash. They take cover in brush piles and they eat the insects in dead trees. So stop cleaning up. Every time you prune a privet bush, you discourage a bird.

The New York Times.

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Rock Star in His Own Right

By John Rockwell
New York Times Service

NEW YORK—Anyone who attended concerts in the late 1960s and early 1970s at the Fillmore West and East, or anyone interested in rock 'n' roll, for that matter, had to be shocked at the death last weekend of the rock impresario, Bill Graham, the victim of a particularly gruesome helicopter crash near San Francisco.

Pacing the stage, shouting and arguing, cajoling and exhorting, Graham was as much the image of rock as the artists he deigned to present.

The Grateful Dead, The Jefferson Airplane, Country Joe and Janis Joplin epitomized San Francisco's hippie scene to the United States and the world. Graham put on their concerts, but more than that, he won a fame (some might call it notoriety) to equal theirs.

The '60s died long ago, but for anyone who lived through that turbulent, exhilarating time, Graham's death at the age of 60 was a painful loss.

For New Yorkers, he must have represented an image from the past. For San Franciscans like me, and for those his continued activities touched through his national tours, festivals and benefits, he was still very much of the present. So his death was a double loss, of a piece of rock history but also of a positive, if cantankerous, force for musical and social issues today.

It was Graham who put the sweet, druggy mid-'60s Bay Area hippies on the national map when he began staging psychedelically tinged concerts at the rundown Fillmore Theater in San Francisco in 1965.

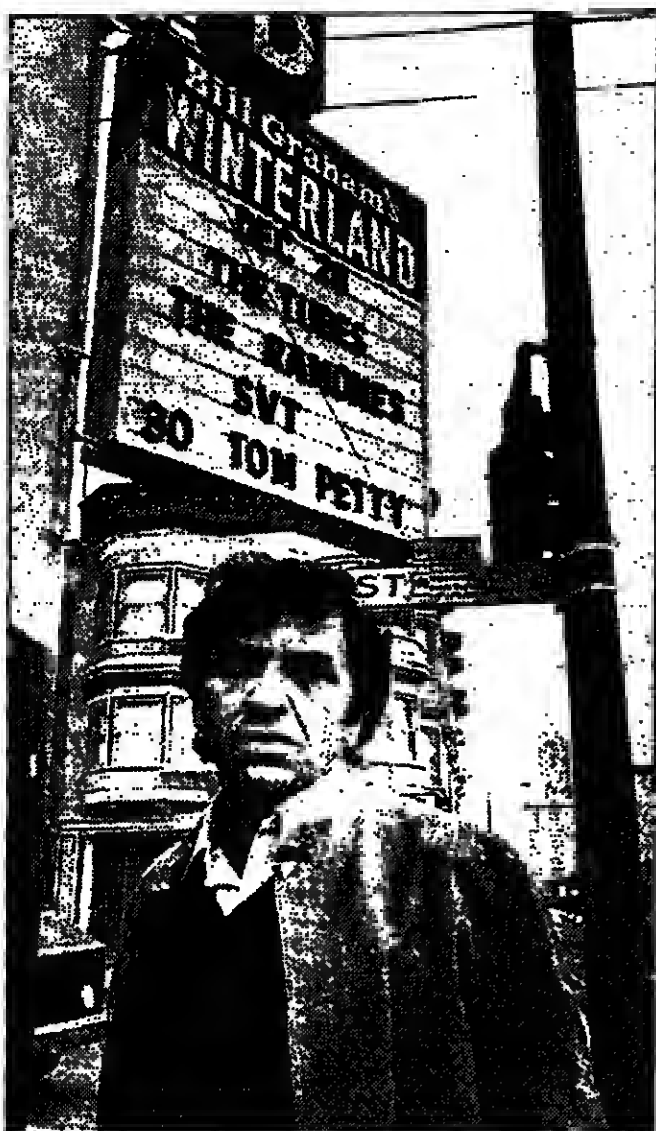
At the time, Graham, who was already in his mid-30s and never lost his Bronx-bred harshness, seemed to clash with the gentler types who personified the San Francisco scene.

In particular, he clashed with Chet Helms, whose Avalon Ballroom, it seemed to many of us at the time, represented the hippie ethos more truly than Graham's tougher, more mercenary Fillmore.

But Graham knew something that Helms did not, or did not care to know: that capitalist ingenuity is necessary if a commercial enterprise is to prosper.

The Avalon Ballroom defined its time like an evanescent dream. The Fillmore, and the Fillmore East in Manhattan and Graham's many subsequent ventures, mirrored and shaped American musical taste over a quarter-century.

From nearly clublike theaters —



Bill Graham near Winterland in San Francisco in 1978.

he closed the Fillmores in 1971 — to indoor arenas to outdoor sports stadiums, Graham may have groused about the increasing impersonality of the concert business, but he could take legitimate credit for creating rock concert promotion as we know it today.

His background was actually even further removed from laid-back San Francisco than the Bronx. Named Wolfgang Grajona when he was born to Russian immigrants in Berlin, he lost his father in an accident shortly after his birth and his mother and two sisters in the Holocaust. During World War II he escaped through France to the United States and grew up in New York, moving to California in his 20s.

It was that sense of the embattled underdog that fueled his lifelong devotion to social issues. Gra-

ham staged benefits to combat AIDS, crack, earthquake damage and urban decay.

In 1985 he undertook a furious public protest against President Ronald Reagan's planned visit to a cemetery in Bithury in West Germany, where 49 Waffen SS troops are buried. Shortly after Graham purchased a full-page newspaper advertisement denouncing that visit, his offices were destroyed by a fire that the police said was arson.

He lost the memorabilia of a career. With his biocoastal Fillmore operation and its attendant national tours, record labels and concessions sales, Graham seemed poised to become a true national rock-concert promoter.

But that ran counter to the increasing territoriality of the rock business as promoters divided the country into fiefdoms.

Northern California became Graham's fief, although he still organized occasional national tours and kept his hand in managing various artists, Santana and Eddie Money among them.

The greatest impresarios have combined passionate good taste with shrewd business sense: one thinks of Angelo Neumann and his opera troupe crisscrossing Europe with Wagner's "Ring" or Sergei Diaghilev and his Russian dancers, composers and designers.

Graham's taste seemed less defined; at times, it appeared that the main lure for him was not artistic merit, but the money to be made and the fame that might spill over onto him.

In the 1960s, before record-company and radio-station demographics had frozen the music market into regimented formats, Graham liked to combine his beatnik jazz taste of the 1950s with the emergent hippie movement of the 1960s.

In so doing, he echoed Ralph J. Gleason, a prominent San Francisco columnist who embraced rock, unlike his more conservative jazz-critic colleagues.

By pairing the Modern Jazz Quartet with The Jefferson Airplane, or Miles Davis with the Grateful Dead, Graham played a role in the cross-pollination between jazz and rock, and in fostering the eclectic "world music" tastes of the San Francisco area today.

Through it all, his temper remained legendary. Faced with an innocent question about policy — why, for instance, in the peace-and-love '60s, charge 25 cents for coat-checking at the Fillmore? — he could erupt in a half-hour, obscenity-laced tirade.

Yet his basic fairness to the artists with whom he dealt, his concern for top-quality sound and backstage and audience ambience, and his commitment to causes in which he believed went far to compensate for his personality quirks.

"He could treat anybody like garbage and still win their respect," the Berkeley-based rock critic Greil Marcus recalled.

Indeed, Graham was one of the few promoters who had a personality that matched his clients: if rock 'n' roll is the musical art form of excess, Graham was its born promoter.

Reports from San Francisco say he had nearly completed an autobiography. If the writing is anywhere near as pithy and frank as the man, that should be a rock odyssey well worth reading.



'Les Misérables': A decidedly un-French combination of costumes, sets, direction, timing and energy.

'Les Miz': Born Again in Paris

By Alan Riding
New York Times Service

PARIS — Parisians have a solid record of snuffing disdainfully at that very Anglo-Saxon phenomenon known as the musical, but the arrival of "Les Misérables" here this month seems to have caught them off guard. They are flocking to see it without even a trace of embarrassment.

Of course, it helps that the pop opera is based on the 1862 novel by Victor Hugo and is mainly the work of a French composer and a French lyricist. And no doubt it is essential that the Paris production is sung in French.

Yet more than anything else, French audiences and critics seem to have been swept off their feet by the sheer spectacle of "Les Misérables" at the Mogador Theater — by a combination of costumes, sets, direction, timing, energy, music and words that they concede is, well, very Broadway and decidedly un-French.

"The reception we've been getting at the end of the show has been better than in any other country in the world," said Cameron Mackintosh, the British producer who took "Les Misérables" first to the London West End and then to Broadway. "There have been 5- and 10-minute standing ovations. I don't think the audiences have seen anything like it before."

"We tried to get over the message that this is not a West End or Broadway musical, but rather the great French musical," he went on. "I think Parisians realize that we're bringing Hugo back to them — although I could add that he wrote the novel on British soil when he was exiled from France."

The "coming home" theme, though, is more

than just a publicity ploy because a first version of "Les Misérables" was in fact put on at the Palais des Sports in Paris in 1978, running for half houses for three months until it had to make way for the Moscow Circus.

Through the sets of the show were dismantled, a record of it survived and after Mackintosh heard it in 1984, he invited Claude-Michel Schönberg, who did the score and Alain Boublil, who did the libretto, to London to transform the musical into something far more ambitious. "We learned in one year more than we had learned in the 10 previous years," Boublil recalled.

The basic story line of the epic tale did not change, recounting Jean Valjean's struggle to do good while fleeing persecution, his rescue of the young orphan Cosette and her later love for the revolutionary Marius, the heroic deaths at the barricades and the eventual triumph over evil. But an entirely new musical emerged.

With Boublil expanding and reorganizing the lyrics, Herbert Kretzmer turning them into the right English and Schönberg adapting the score, with Trevor Nunn and John Caird of the Royal Shakespeare Company directing and Mackintosh tapping his successful experience as the producer of "Cats," the new version went on in London in October 1985.

Two years later, "Les Misérables" reached Broadway and was an instant hit. Since then, there have been productions in 60 other cities, with audiences worldwide now totaling some 21 million people.

But Paris always seemed like a risky venture. Of American musicals, only French versions of "Hair," "Godspell," "Fiddler on the Roof" and "Hello, Dolly!" did as well here as in other

major capitals. But many other Broadway hits, including "West Side Story" and "Jesus Christ Superstar," flourished.

Indeed, it became something of a commonplace among French critics that glitzy Broadway shows were just a bit too "American" (read "low-brow") for Parisian sophisticates. So producers frequently opted to bring successful musicals here — "42nd Street" was the most recent — for limited runs.

Mackintosh was invited to bring "Les Misérables" to Paris in English for a four-week run, but instead chose to re-create the pop opera in French. "Les Misérables" has the biggest chance of breaking the spell in France," he noted, "and if it works, it may unleash an appetite for musicals."

The new version — with the lyrics translated and adapted into French — was first tried out in Montreal. But Mackintosh always had his sights on Paris.

CASTING began more than a year ago, with the Canadian Robert Marjolin chosen as Valjean, the American Stephanie Martin in the role of the dreamy pauper Eponine, and French actors and actresses filling most other roles. Months of rehearsals were then needed to bring the production up to what Broadway would expect.

"Luckily, with the Mogador we found a theater large enough to make money," Mackintosh said. "We then began some publicity last February aimed at those who might say, 'We've seen "Les Mis." Why should we see it again?' But the big promotion was only in the last month because the French don't book more than three weeks in advance."

LONDON THEATER

In Search of the Shapeless Snark

By Sheridan Morley
International Herald Tribune

LONDON — The first thing to be said about Mike Batt's "The Hunting of the Snark" (at the Prince Edward) is that it is not the total musical fiasco most of my critical colleagues would have you believe. This is not another "Carrie," or "Boulevard," or "Time." Rather it is a \$5 million attempt to take Lewis Carroll's nonsense verse about the Jabberwocky and the quest for the invisible moon and turn it into some kind of stage entertainment for children of all ages from 7 to about 13.

Batt is not just the show's producer. He is also director, writer, lyricist, composer, designer and some nights orchestra leader. Though it is in design that he has had his one real triumph, the animation of a couple of hundred slides which now perform like individual videos, and will I think revolutionize stage sets for the near future. In other areas he would, admittedly, have been well advised to take advice from others, especially as this is his first stage show.

But let us not be too Snarky: The show has a couple of good dance routines, and what's wrong with it is essentially what's wrong with Carroll's original verse. It simply doesn't get us anywhere. If you ask what the "Snark" is about, it is about two and a half hours. What began a couple of years ago as a concept album still looks like a staged celebrity charity concert, but the lack of any central energy or drive merely serves to highlight that the show is a creature of curiously little shape or purpose or identity.

David McCallum makes an elegant narrator of Carroll himself, but the rest of an inexperienced cast takes the first-half closer, entitled

"Dancing to Disaster," somewhat too literally. The numbers here simply don't add up to a show.

At the Comedy, Hugh Whitmore's "It's Ralph" is a curiously hybrid comedy drama that seems to have been constructed from leftover bits of "Stealth" and "The Man Who Came to Dinner," until it takes on, late in the evening, a new life of its own. To an elegant country cottage deep in Rattign or Coward heartland comes a wealthy married couple (Timothy West and Connie Booth), he a television celebrity, she a music publisher. The marriage is drifting to the rocks but has, like the cottage, been elegantly patched up, at least until the arrival of an old friend, played with wonderfully sinister intensity by Jack Shepherd.

But what looks like the usual extramarital triangle, or possibly a blackmail thriller, slowly hauls itself into shape as a contemporary morality play about the collapse of illusions and houses and people, in no particular order. The Shepherd character carries death around him as though it were something you keep in a pocket, while West as the life-force is so consumed by random rages that he is a perfect match for his friend's quirky altruism. Whitmore is writing about the dry rot at the heart of a marriage and an old cottage, so that when the ceiling falls in it does so on people's hearts and souls and minds as well as on their carpets.

His writing is often savagely funny but it is also oddly ill-focused, so entire scenes drift around in search of a purpose or a punch line. A play about characteristic British middle and misunderstanding is itself often more than a little muddled and easily misunderstood, despite sterling performances from the two men and, in a much more thankless role, Connie Booth, who

can finally make sense of neither of them.

Peter Hall continues a powerful season of classics at the Playhouse with "Tartuffe," in a brisk and brittle new translation by Rajni Bolt that manages to highlight the farce without losing sight of the religious hypocrisy issue, as Swaggarty-topical today as ever: "Have you been sent to save us all from sin?" Cleanse asks Tartuffe at the table as he pours a glass of wine. "And was that water before I came in?"

At the center of Hall's production are three superb performances: Paul Eddington, playing the befuddled Orgo as a Restoration fop, John Sessions as the quietly subversive title character, and Felicity Kendal as the chirpy maid who is in all this the sole voice of common decency and practicality. Dulcie Gray as the old dragon mother, forever slapping the faces of her nearest and least dearest, and Jennifer Ehle as Orgo's wife also manage to tread the borderlines of farce and moral fable with admirable aplomb, so that we don't really need the rather ponderous scenic signaling by which Hall has the playing area darkened by shutters as Tartuffe's plot thickens, only to have them opened again when the King's Messenger brings a last-minute, if equally improbable, reprieve.

The central problem for any "Tartuffe" director is its balance: though the great set-piece of the play is Orgo's attempted seduction of his wife, much of the rest of the evening can only work as Molière's plea for France to return to family values and cease casting around for dubious gurus from elsewhere. But in the end it all comes down to character, and Hall has rightly allowed his large cast to work individually within their own guidelines, remaining true to their archetypes above all else.

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ACROSS

- 1 V. Hugo's wife and daughter
- 7 Clairvoyance
- 10 Toadfish
- 14 "A maid... praise"
- 15 Law-and-order G.I.'s
- 16 Pub drinks
- 17 Decorative style
- 18 Cuts or Mets
- 20 "Mack the Knife" singer

DOWN

- 2 Scottish alder
- 22 Hall of Fame pitcher Lyons
- 23 Felicitous regions
- 24 Alger starting points
- 26 Burden
- 28 Spark's "Memento"
- 29 Property-transfer instrument
- 31 — divy. (rush)

Solution to Previous Puzzle

HASTY RADAR OPS
ARTIE AMORE ZIP
SMOLT BARCELONA
CLIMBS FINER
POKY AISLE DESK
ASH DETESTS
SCORE STOPPAGE
TALENTS SNOWMEN
ARMOIRES OASTS
SIMPSON TAU
TSAR PEALS PETE
MELBOURNE ANDES
PEA STEEP OCALA
AOS TEDDY SAMMY

ACROSS

- 11 V. Hugo's wife and daughter
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Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere. Via The Associated Press



**THE LAST
WORD IN
HOTELS HAS
JUST BEEN
TRANSLATED
INTO
JAPANESE.**

The new Four Seasons Hotel Tokyo is surrounded by 17 acres of the city's renowned Chinzan-so Gardens.

Yet it places you within easy reach of both the Imperial Palace and Shinjuku business district.

The hotel's 286 spacious guest rooms feature multiline telephones and connections for both computer modems and fax machines. Each one is served by 24-hour multilingual concierges.

There is even a sophisticated amphitheater, and a wide array of meeting rooms befitting international conferences.

We very cordially invite you to telephone your travel counselor for reservations and additional information about the new Tokyo hotel that in any language will truly speak for itself.



Four Seasons Hotel
CHINZAN-SO, TOKYO

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Four Seasons Hotel
CHINZAN-SO, TOKYO

[illegible]

(Continued on page 16)

NYSE High-Lows[illegible]

ANEX High-Lows

[illegible]

CURRENCY RATES			
Interest Rates			
Money Rates			
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MARKET DIARY

Stock Prices Rise
In Bargain Hunting

United Press International
NEW YORK — Stock prices closed higher in active trading Tuesday as computer-driven program buying combined with bargain hunting in extending the New York Stock Exchange's rally into a second day.

The Dow Jones industrial average, which surged 40.70 points Monday, added another 16.10 to 3,061.72, according to an unofficial tally.

Among the broad-based gauges, the New York Stock Exchange Composite Index of all listed common shares rose 1.23 in 215.67 while Standard & Poor's 500-stock index climbed 2.18 to 391.70.

Gainers outnumbered losers by a 5-to-3 margin. Volume amounted to about 191.2 million shares at 4

P.M., compared with 160.2 million in the same period Monday.

Stocks ended higher on the American Stock Exchange and in over-the-counter trading.

Analysts said stocks opened slightly higher while bonds surged on rising hopes that the Federal Reserve would cut interest rates soon.

Those hopes resurfaced, analysts said, following a Commerce Department report showing the U.S. economy expanded at a slightly lower-than-expected seasonally adjusted annual rate of 2.4 percent in the third quarter, after inflation was taken into account.

On the trading floor as of 3 P.M., Horsham-based the Big Board added, off slightly. Glaxo Holdings followed up sharply.

Salomon was third, up sharply after reporting strong third-quarter earnings despite a \$200 million reserve for potential liability from its Treasury auction scandal.

DOUBLE: More Trouble Ahead?

(Continued from page 1)

ended Sept. 30. Lower rates should increase the value of the securities, enticing investors to buy.

Trying to get ahead of the curve, First Fidelity Bank Corp., largest in New Jersey and ranked 24th in the nation, cut its prime lending rate from 8 to 7.75 percent. Most

Foreign Exchange

banks cut their prime rates from 8.5 to 8 percent in September.

Most economists seemed to agree that, upon close analysis, the GNP figures contained what Mr. Braverman described as "a lot of fluff."

For example, a 1.4 percent nominal increase in spending on computers was magnified to an 11.4 inflation-adjusted increase by the Commerce Department's methods of computing their prices.

This will be changed in a statistical revision next month, and that alone will knock the GNP down 0.6 points to an increase of only 1.8 percent.

Allen Sinai of Boston Co. Economic Advisers pointed out that final sales in the economy rose only 0.6 percent while business rebuilt its inventories by 1.4 percent, a situation that cannot last when durable goods orders are dropping and industrial production was flat for August and September.

A slow Christmas season and a drop in auto sales would be more than enough to reverse the fourth-quarter inventory figures, he said, and that alone made Tuesday's GNP figures "irrelevant and the sign of a troubled economy."

Mr. Sinai foresaw the threat of heavy layoffs in the fourth quarter. Mr. Braverman noted that during the third quarter, permanent layoffs of 147,000 were already the highest during the recession.

The consumer confidence survey

showed, indeed, that ordinary people feel trouble coming.

It reported significant increases in the number of people reporting bad conditions for business and jobs now. And it reported increases in the number expecting business and employment to be worse six months from now.

Contrasting his confidence reports with the government's statistics, Fabian Lindén, director of the Conference Board's Consumer Research Center, said: "The cumbersome apparatus that grinds out the numbers takes time. But people out there are remarkably sensitive about their own lives. They have an impressive record of quickly sensing the changes in the pace of business activity. It is highly likely that, when October business statistics become available, we will find it has been a troubled month."

Reports from important groups dealing with housing and government spending pointed to more trouble ahead.

David Seiders, chief economist of the National Association of Home Builders, told the annual conference of savings banks that housing would be weaker in the fourth quarter than the third.

State governments, which paced a 6.6 percent decline in government spending in the GNP report, through their National Governors Association forecast more budget cuts next year.

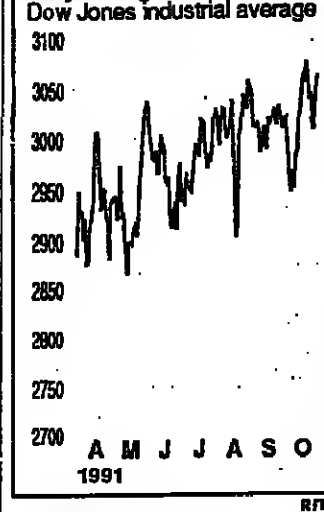
By the close Tuesday in New York, the dollar had fallen to 1.6865 Deutsche marks from Monday's close of 1.7179 DM, and to 130.65 yen from 132.31 yen on Monday.

The U.S. currency ended at 1.4760 Swiss francs, down from 1.5065 on Monday, and at 5.7850 French francs, down from 5.8605. The pound rose to \$1.739 from \$1.694.

By Associated Press Oct. 29

The Dow

Daily closings of the Dow Jones industrial average



AM J J A S O 1991

NYSE Most Active

Vol.	High	Low	Last	Chg.
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
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Vol.	High	Low	Last	Chg.
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Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50
Amgen	48.50	47.50	48.00	+0.50

NYSE Diary

Advanced	Declined	Unchanged
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001
1024	1001	1001

Amex Diary

Advanced	Declined	Unchanged
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294
294	294	294

NASDAQ Diary

Advanced	Declined	Unchanged
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065
1,135	1,065	1,065

Dow Jones Averages

Open High Low Close Chg.

Index	Open	High	Low	Close	Chg.
Dow Jones	2984.50	3000.00	2984.50	3061.72	+77.22
S&P 500	388.50	392.00	388.50	391.70	+3.20
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00
Amex	294.00	298.00	294.00	294.00	0.00

Standard & Poor's Indexes

Index	Open	High	Low	Close	Chg.
Industrials	1441.00	1450.00	1441.00	1445.00	+9.00
Utilities	144.00	145.00	144.00	144.50	+0.50
Transportation	144.00	145.00	144.00	144.50	+0.50
Chemicals	144.00	145.00	144.00	144.50	+0.50
Metals	144.00	145.00	144.00	144.50	+0.50
Energy	144.00	145.00	144.00	144.50	+0.50
Telecommunications	144.00	145.00	144.00	144.50	+0.50
Healthcare	144.00	145.00	144.00	144.50	+0.50
Consumer Goods	144.00	145.00	144.00	144.50	+0.50
Real Estate	144.00	145.00	144.00	144.50	+0.50

NYSE Indexes

Index	Open	High	Low	Close	Chg.
Composite	2984.50	3000.00	2984.50	3061.72	+77.22
Industrials	1441.00	1450.00	1441.00	1445.00	+9.00
Utilities	144.00	145.00	144.00	144.50	+0.50
Transportation	144.00	145.00	144.00	144.50	+0.50
Chemicals	144.00	145.00	144.00	144.50	+0.50
Metals	144.00	145.00	144.00	144.50	+0.50
Energy	144.00	145.00	144.00	144.50	+0.50
Telecommunications	144.00	145.00	144.00	144.50	+0.50
Healthcare	144.00	145.00	144.00	144.50	+0.50
Consumer Goods	144.00	145.00	144.00	144.50	+0.50

NASDAQ Indexes

Index	Open	High	Low	Close	Chg.
Composite	1120.00	1150.00	1120.00	1145.00	+25.00
Industrials	1441.00	1450.00	1441.00	1445.00	+9.00
Utilities	144.00	145.00	144.00	144.50	+0.50
Transportation	144.00	145.00	144.00	144.50	+0.50
Chemicals	144.00	145.00	144.00	144.50	+0.50
Metals	144.00	145.00	144.00	144.50	+0.50
Energy	144.00	145.00	144.00	144.50	+0.50
Telecommunications	144.00	145.00	144.00	144.50	+0.50
Healthcare	144.00	145.00	144.00	144.50	+0.50
Consumer Goods	144.00	145.00	144.00	144.50	+0.50

AMEX Stock Index

Index	Open	High	Low	Close	Chg.
Composite	294.00	298.00	294.00	294.00	0.00
Industrials	1441.00	1450.00	1441.00	1445.00	+9.00
Utilities	144.00	145.00	144.00	144.50	+0.50
Transportation	144.00	145.00	144.00	144.50	+0.50
Chemicals	144.00	145.00	144.00	144.50	+0.50
Metals	144.00	145.00	144.00	144.50	+0.50
Energy	144.00	145.00	144.00	144.50	+0.50
Telecommunications	144.00	145.00	144.00	144.50	+0.50
Healthcare	144.00	145.00	144.00	144.50	+0.50
Consumer Goods	144.00	145.00	144.00	144.50	+0.50

Dow Jones Bond Averages

Index	Open	High	Low	Close	Chg.
20 Bonds	112.00	113.00	112.00	112.50	+0.50
10 Industrials	112.00	113.00	112.00	112.50	+0.50
20 Bonds	112.00	113.00	112.00	112.50	+0.50
10 Industrials	112.00	113.00	112.00	112.50	+0.50
20 Bonds	112.00	113.00	112.00	112.50	+0.50
10 Industrials	112.00	113.00	112.00	112.50	+0.50
20 Bonds	112.00	113.00	112.00	112.50	+0.50
10 Industrials	112.00	113.00	112.00	112.50	+0.50
20 Bonds	112.00	113.00	112.00	112.50	+0.50
10 Industrials	112.00	113.00	112.00	112.50	+0.50

Market Sales

Index	Open	High	Low	Close	Chg.
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00

N.Y.S.E. Odd-Lot Trading

Index	Open	High	Low	Close	Chg.
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00
NASDAQ	1120.00	1150.00	1120.00	1145.00	+25.00
AMEX	1120.00	1150.00	1120.00	1145.00	+25.00
NYSE	1120.00	1150.00	1120.00	1145.00	+25.00

S&P 100 Index Options

125	140	40	7	—	915	1270	—	—
200	0%	29%	5	7%	13%	15%	17%	20%
205	—	1%	31%	—	—	—	—	—
210	1%	4%	2%	3%	—	—	34	—
215	%	—	—	—	—	—	—	—

Calls: total vol. 127,727; total open int. 384,663
Puts: total vol. 128,587; total open int. 315,822

Dec 92	Dec 92	Dec 92	Dec 90
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BaE Issue Rejection Is 'Not a Setback'

Compiled by Our Staff From Dispatches

LONDON — British Aerospace PLC said Tuesday its shareholders had taken up just 49 percent of its £437 million (£376 million) rights issue of new stock.

In view of recent market conditions, culminating in the heavy falls last week, the low take-up of the rights issue had become inevitable, said Sir Graham Day, chairman of BaE.

The company's principal shareholders, who are also largely the major sub-underwriters to the issue, have understandably chosen to accept their sub-underwriting allocations rather than apply for shares, said Sir Graham, who became chairman after Sir Roland Smith was pushed off the board last month.

BaE shares have been trading below the 50 pence offer price for the last few weeks and the issue had been widely expected to flop. But few city analysts and investors ex-

pected take-up to be as low as 5 percent. "We do not regard the outcome of the rights issue as a major setback," Sir Graham said.

The issue, underwritten by Kleinwort Benson, was fully sub-underwritten by other institutions. BaE is guaranteed its money but the underwriters face potential losses.

BaE said in last month's rights document that it would concentrate on four areas — defense, civil aircraft, cars and property — but London financial sources have said the group is likely to sell all but its defense and Airbus commercial aircraft operations within five years or so. BaE has a 20 percent stake in Airbus Industrie.

Dick Evans, BaE chief executive, denied the company was considering selling its property or car divisions. "We have made our position very clear," he said. "Both the prop-

erty business and the Rover business are important parts of that strategy."

Mr. Evans said Airbus would provide much of the group's future growth and expressed confidence in the outlook for the Rover cars subsidiary.

He also discounted BaE's vulnerability to a takeover, saying, "There have been no approaches made to British Aerospace with regard to a potential takeover and I don't believe it is realistically likely."

The company has a clearly defined strategy which is now well understood by its major shareholders and the market," Sir Graham said. "It has the full proceeds of the rights issue available to take forward that strategy."

Analysts said that if the London stock market continued to rise the underwriters should have few problems selling remaining shares at a slight discount to the market price. (Reuters, AFP)

Offer for Wagons-Lits Hits Regulatory Delay

Reuters

BRUSSELS — Belgium's stock market watchdog on Tuesday delayed approval of the prospectus for Accor SA's takeover bid for the travel and tourism group Compagnie Internationale des Wagons-Lits & du Tourisme SA.

After meeting to discuss the prospectus, the Banking and Finance Commission said that it "considered it did not have today all the necessary elements to approve the prospectus, whose examination is continuing."

The commission's statement gave no further details and commission officials were not available to comment.

Two weeks ago, Accor said its Cobefin subsidiary would offer 6,650 Belgian francs (\$246) a share for the roughly 73 percent of Wagons-Lits it did not already own, valuing the stake at about 25 billion francs (\$711 million).

Cobefin is owned 81 percent by Accor, the French hotel operator, and 19 percent by Société Générale de Belgique, Belgium's largest holding company.

That bid price represented a 25 percent premium over Wagons-Lits share price at the time. Wagons-Lits shares rose sharply last Friday on rumors that a counterbid might be made. They fell 30 francs on Tuesday to close at 8,660 francs, 10 francs above Accor's bid price.

The bid was to open in principle

on Nov. 7. Soon after the bid was announced, Accor said it hoped to disclose details at a news conference on Nov. 4, but everything depended on the commission's approval of the prospectus.

Earlier Tuesday, Wagons-Lits said it expected its group net profit to jump to about 2 billion francs (\$577 million) this year from 547 million in 1990. It said the increase would reflect extraordinary profits booked in the first half of the year and a major recovery in current profit in tourism and car rental.

First-half consolidated net profit rose to 687 million francs from 563 million.

Earnings were boosted by extraordinary items totaling 1.35 billion francs. Excluding these items, Wagons-Lits had a 136 million franc loss against a 933 million franc profit in the first half of 1990.

Bourse Seen Ailing

The financial situation of the Brussels bourse is alarming, a leading member of the exchange's governing committee said in a letter to brokers, Reuters reported.

The absence of an exchange budget, a fire last year and a declining volume of transactions "are the main reasons for an alarming financial situation which will become clear at the end of this financial year," wrote Wilfried Dieckx, a partner in the Antwerp brokerage Dieckx & Co.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1700	2700	1900
1650	2650	1850
1600	2600	1800
1550	2550	1750
1500	2500	1700
1450	2450	1650
1400	2400	1600
1350	2350	1550
1300	2300	1500
1250	2250	1450
1200	2200	1400
1150	2150	1350
1100	2100	1300
1050	2050	1250
1000	2000	1200
950	1950	1150
900	1900	1100
850	1850	1050
800	1800	1000
750	1750	950
700	1700	900
650	1650	850
600	1600	800
550	1550	750
500	1500	700
450	1450	650
400	1400	600
350	1350	550
300	1300	500
250	1250	450
200	1200	400
150	1150	350
100	1100	300
50	1050	250
0	1000	200

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Liberty Life Association of Africa Ltd. priced its international offer of 12 million new shares at 37 rand (\$11.95) a share to raise 444 million rand, with a possibility of offering an additional 2 million shares.
- Sweden's Saab-Scania AB and L.M. Ericsson AB said they would combine their space activities in a new venture, Saab Ericsson Space AB, with 360 employees and annual sales of 300 million kronor (\$48 million).
- Injunctions freezing the assets of Polly Peck International PLC Chairman Asif Nadir, his mother and others have been extended for 28 days, court officials said.
- Metallgesellschaft AG said it was in talks with several firms about selling its majority stake in the machine-tool maker Schiele AG.
- Deutsche Airbus GmbH said it had set up a joint venture with France's Aerospatiale to build Super Airbus Transporters, a modified Airbus A-300 that will bring Airbus parts to the group's Toulouse assembly plant.
- Philips NV said it would launch an invisible hearing aid next month using miniaturized technology that allows it to be concealed in the ear.
- Year-to-year inflation in Western Germany slowed to 3.5 percent in October from 3.9 percent in September, the Federal Statistics Office said.
- Kymmene, Finland's leading forest group, reported a loss of 634 million markka (\$153 million) in the first eight months of this year, compared with a profit of 285 million markka a year earlier.

Reuters, AFP, BBN

Christiania in Deal to Sell Insurance

Reuters

OSLO — Christiania Bank og Kreditkasse, Norway's No. 2 bank, said Tuesday it had agreed to sell insurance for the Norwegian insurer Norsk Liv, with the possibility of an eventual merger of the companies.

"This means that Kreditkassen's current distribution agreement with Uni Storebrand A/S will end," the bank said in a statement, referring to a rival Norwegian insurer.

Christiania declared itself technically bankrupt on Oct. 14, saying huge losses made its shares worthless. The bank, now owned by the state, has asked for up to 6 billion kroner (\$896 million) in government support.

Bérégovoy Says Economy Better, Franc Will Be

Compiled by Our Staff From Dispatches

PARIS — Finance Minister Pierre Bérégovoy said Tuesday that France's economy was improving beyond expectations and that the franc would strengthen eventually.

The franc is currently far down the European Monetary Union grid, but Mr. Bérégovoy said it would rise once markets realize a devaluation is out of the question.

He said at a news conference that in approving a quarter-point

cut in the Bank of France's intervention rate this month, to 8.75 percent, he had chosen to use the room for maneuver opened up by France's good inflation and budget performance.

Mr. Bérégovoy called the rate cut "a sign of confidence" and said the economy was "clearly less poor than was to be feared a few months ago."

Mr. Bérégovoy reaffirmed the government's forecast of 2.2 percent growth in 1992 and said recent

economic trends showed it was being conservative with that forecast.

The whole world, he said, was paying for the mismanagement of the U.S. economy in the mid-1980s, but as a report on third-quarter industrial production showed on Tuesday, France had avoided recession and was in good health.

He said the report, by the National Statistics Institute, confirmed a pickup in domestic and foreign demand in the third quar-

ter, which should eventually fuel job growth.

Asked how France would respond if Germany raised interest rates before the end of the year, Mr. Bérégovoy noted that France had not matched the last three increases in the Bundesbank's official rates. Indeed, France had eased credit twice this year, he said, adding, "This clearly shows the direction we are heading in."

(Reuters, AFP)

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Company	1991	1990	1989
Armstrong World Ind.	Revenue: 1,000.00	Revenue: 950.00	Revenue: 900.00
Armstrong World Ind.	Net Inc.: 100.00	Net Inc.: 90.00	Net Inc.: 80.00
Armstrong World Ind.	Per Share: 1.00	Per Share: 0.90	Per Share: 0.80
Armstrong World Ind.	Dividend: 0.50	Dividend: 0.45	Dividend: 0.40
Armstrong World Ind.	1st Qtr: 250.00	1st Qtr: 240.00	1st Qtr: 230.00
Armstrong World Ind.	Net Inc.: 25.00	Net Inc.: 24.00	Net Inc.: 23.00
Armstrong World Ind.	Per Share: 0.25	Per Share: 0.24	Per Share: 0.23
Armstrong World Ind.	Dividend: 0.125	Dividend: 0.12	Dividend: 0.11
Armstrong World Ind.	1st Qtr: 62.50	1st Qtr: 60.00	1st Qtr: 57.50
Armstrong World Ind.	Net Inc.: 6.25	Net Inc.: 6.00	Net Inc.: 5.75
Armstrong World Ind.	Per Share: 0.625	Per Share: 0.60	Per Share: 0.575
Armstrong World Ind.	Dividend: 0.3125	Dividend: 0.30	Dividend: 0.2875
Armstrong World Ind.	1st Qtr: 15.625	1st Qtr: 15.00	1st Qtr: 14.375
Armstrong World Ind.	Net Inc.: 1.5625	Net Inc.: 1.50	Net Inc.: 1.4375
Armstrong World Ind.	Per Share: 0.15625	Per Share: 0.15	Per Share: 0.14375
Armstrong World Ind.	Dividend: 0.078125	Dividend: 0.075	Dividend: 0.071875
Armstrong World Ind.	1st Qtr: 3.90625	1st Qtr: 3.75	1st Qtr: 3.59375
Armstrong World Ind.	Net Inc.: 0.390625	Net Inc.: 0.375	Net Inc.: 0.359375
Armstrong World Ind.	Per Share: 0.0390625	Per Share: 0.0375	Per Share: 0.0359375
Armstrong World Ind.	Dividend: 0.01953125	Dividend: 0.01875	Dividend: 0.01796875
Armstrong World Ind.	1st Qtr: 0.9765625	1st Qtr: 0.9375	1st Qtr: 0.8984375
Armstrong World Ind.	Net Inc.: 0.09765625	Net Inc.: 0.09375	Net Inc.: 0.08984375
Armstrong World Ind.	Per Share: 0.009765625	Per Share: 0.009375	Per Share: 0.008984375
Armstrong World Ind.	Dividend: 0.0048828125	Dividend: 0.0046875	Dividend: 0.0044921875
Armstrong World Ind.	1st Qtr: 0.244140625	1st Qtr: 0.234375	1st Qtr: 0.22479166666666666
Armstrong World Ind.	Net Inc.: 0.0244140625	Net Inc.: 0.0234375	Net Inc.: 0.022479166666666666
Armstrong World Ind.	Per Share: 0.00244140625	Per Share: 0.00234375	Per Share: 0.0022479166666666666
Armstrong World Ind.	Dividend: 0.001220703125	Dividend: 0.001171875	Dividend: 0.0011238095238095238
Armstrong World Ind.	1st Qtr: 0.1220703125	1st Qtr: 0.1171875	1st Qtr: 0.11238095238095238
Armstrong World Ind.	Net Inc.: 0.01220703125	Net Inc.: 0.01171875	Net Inc.: 0.011238095238095238
Armstrong World Ind.	Per Share: 0.001220703125	Per Share: 0.001171875	Per Share: 0.0011238095238095238
Armstrong World Ind.	Dividend: 0.0006103515625	Dividend: 0.0005859375	Dividend: 0.0005619047619047619
Armstrong World Ind.	1st Qtr: 0.06103515625	1st Qtr: 0.05859375	1st Qtr: 0.05619047619047619
Armstrong World Ind.	Net Inc.: 0.006103515625	Net Inc.: 0.005859375	Net Inc.: 0.005619047619047619
Armstrong World Ind.	Per Share: 0.0006103515625	Per Share: 0.0005859375	Per Share: 0.0005619047619047619
Armstrong World Ind.	Dividend: 0.00030517578125	Dividend: 0.00029296875	Dividend: 0.00028095238095238095
Armstrong World Ind.	1st Qtr: 0.030517578125	1st Qtr: 0.029296875	1st Qtr: 0.028095238095238095
Armstrong World Ind.	Net Inc.: 0.0030517578125	Net Inc.: 0.0029296875	Net Inc.: 0.0028095238095238095
Armstrong World Ind.	Per Share: 0.00030517578125	Per Share: 0.00029296875	Per Share: 0.00028095238095238095
Armstrong World Ind.	Dividend: 0.000152587890625	Dividend: 0.000146484375	Dividend: 0.00014047619047619047
Armstrong World Ind.	1st Qtr: 0.0152587890625	1st Qtr: 0.0146484375	1st Qtr: 0.014047619047619047
Armstrong World Ind.	Net Inc.: 0.00152587890625	Net Inc.: 0.00146484375	Net Inc.: 0.0014047619047619047
Armstrong World Ind.	Per Share: 0.000152587890625	Per Share: 0.000146484375	Per Share: 0.00014047619047619047
Armstrong World Ind.	Dividend: 0.0000762939453125	Dividend: 0.0000732421875	Dividend: 0.00007023809523809523
Armstrong World Ind.	1st Qtr: 0.00762939453125	1st Qtr: 0.00732421875	1st Qtr: 0.007023809523809523
Armstrong World Ind.	Net Inc.: 0.000762939453125	Net Inc.: 0.000732421875	Net Inc.: 0.0007023809523809523
Armstrong World Ind.	Per Share: 0.0000762939453125	Per Share: 0.0000732421875	Per Share: 0.00007023809523809523
Armstrong World Ind.	Dividend: 0.00003814697265625	Dividend: 0.00003662109375	Dividend: 0.000035119047619047619
Armstrong World Ind.	1st Qtr: 0.003814697265625	1st Qtr: 0.003662109375	1st Qtr: 0.0035119047619047619
Armstrong World Ind.	Net Inc.: 0.0003814697265625	Net Inc.: 0.0003662109375	Net Inc.: 0.00035119047619047619
Armstrong World Ind.	Per Share: 0.00003814697265625	Per Share: 0.00003662109375	Per Share: 0.000035119047619047619
Armstrong World Ind.	Dividend: 0.000019073486328125	Dividend: 0.000018310546875	Dividend: 0.000017559523809523809
Armstrong World Ind.	1st Qtr: 0.0019073486328125	1st Qtr: 0.0018310546875	1st Qtr: 0.0017559523809523809
Armstrong World Ind.	Net Inc.: 0.00019073486328125	Net Inc.: 0.00018310546875	Net Inc.: 0.00017559523809523809
Armstrong World Ind.	Per Share: 0.000019073486328125	Per Share: 0.000018310546875	Per Share: 0.000017559523809523809
Armstrong World Ind.	Dividend: 0.0000095367431640625	Dividend: 0.0000091552734375	Dividend: 0.0000087797619047619047
Armstrong World Ind.	1st Qtr: 0.00095367431640625	1st Qtr: 0.00091552734375	1st Qtr: 0.00087797619047619047
Armstrong World Ind.	Net Inc.: 0.000095367431640625	Net Inc.: 0.000091552734375	Net Inc.: 0.000087797619047619047
Armstrong World Ind.	Per Share: 0.0000095367431640625	Per Share: 0.0000091552734375	Per Share: 0.0000087797619047619047
Armstrong World Ind.	Dividend: 0.00000476837158203125	Dividend: 0.00000457763671875	Dividend: 0.0000043898809523809523
Armstrong World Ind.	1st Qtr: 0.000476837158203125	1st Qtr: 0.000457763671875	1st Qtr: 0.00043898809523809523
Armstrong World Ind.	Net Inc.: 0.0000476837158203125	Net Inc.: 0.0000457763671875	Net Inc.: 0.000043898809523809523
Armstrong World Ind.	Per Share: 0.00000476837158203125	Per Share: 0.00000457763671875	Per Share: 0.0000043898809523809523
Armstrong World Ind.	Dividend: 0.000002384185791015625	Dividend: 0.000002288818359375	Dividend: 0.00000219494047619047619
Armstrong World Ind.	1st Qtr: 0.0002384185791015625	1st Qtr: 0.0002288818359375	1st Qtr: 0.000219494047619047619
Armstrong World Ind.	Net Inc.: 0.00002384185791015625	Net Inc.: 0.00002288818359375	Net Inc.: 0.0000219494047619047619
Armstrong World Ind.	Per Share: 0.000002384185791015625	Per Share: 0.000002288818359375	Per Share: 0.00000219494047619047619
Armstrong World Ind.	Dividend: 0.0000011920928955078125	Dividend: 0.0000011444091796875	Dividend: 0.00000109747023809523809
Armstrong World Ind.	1st Qtr: 0.00011920928955078125	1st Qtr: 0.00011444091796875	1st Qtr: 0.000109747023809523809
Armstrong World Ind.	Net Inc.: 0.000011920928955078125	Net Inc.: 0.000011444091796875	Net Inc.: 0.0000109747023809523809
Armstrong World Ind.	Per Share: 0.0000011920928955078125	Per Share: 0.0000011444091796875	Per Share: 0.00000109747023809523809
Armstrong World Ind.	Dividend: 0.00000059604644775390625	Dividend: 0.00000057220458984375	Dividend: 0.000000548735119047619047
Armstrong World Ind.	1st Qtr: 0.000059604644775390625	1st Qtr: 0.000057220458984375	1st Qtr: 0.0000548735119047619047
Armstrong World Ind.	Net Inc.: 0.0000059604644775390625	Net Inc.: 0.0000057220458984375	Net Inc.: 0.00000548735119047619047
Armstrong World Ind.	Per Share: 0.00000059604644775390625	Per Share: 0.00000057220458984375	Per Share: 0.000000548735119047619047
Armstrong World Ind.	Dividend: 0.000000298023223876953125	Dividend: 0.000000286102294921875	Dividend: 0.00000027436759523809523
Armstrong World Ind.	1st Qtr: 0.0000298023223876953125	1st Qtr: 0.0000286102294921875	1st Qtr: 0.000027436759523809523
Armstrong World Ind.	Net Inc.: 0.00000298023223876953125	Net Inc.: 0.00000286102294921875	Net Inc.: 0.0000027436759

Brokerages Turn Red In Japan

TOKYO — Japan's brokerage industry has plunged into the red for the first time since 1972, racking up a total net loss of almost 70 billion yen (\$530 million) in the financial first half ended Sept. 30.

The Tokyo Stock Exchange said Tuesday that Japan's 124 brokerages posted a combined net loss of 69 billion yen in the first half, compared with a net profit of 16 billion yen in the same period a year earlier.

The statement said the industry's total current profit plunged 98 percent to 7.16 billion yen in the first half, from 373.26 billion a year earlier. This measure, which reflects profit before tax and after deducting costs, is the gauge that analysts track most closely.

Analysts attributed the industry's sharp turnaround to a prolonged slump in Tokyo share prices and a series of scandals in which many brokerages, including the Big Four, improperly compensated clients for investment losses.

In a move to prevent a recurrence of the scandals and to restore public confidence in the industry, the Japan Securities Dealers Association said it planned to establish a set of stricter, voluntary trading rules.

Strong Yen and Weak Sales Hurt Fujitsu Profit

Compiled by Our Staff From Dispatches

TOKYO — Fujitsu, the world's second-largest computer maker, saw its profit plunge in the six months to Sept. 30, pulled down by a sluggish semiconductor market and the strength of the yen.

Fujitsu Ltd. reported Tuesday that group current profit dropped 40.7 percent in the first half of 1991-92 from the year-ago period, to 30.91 billion yen (\$234 million).

"A sharp increase in financing costs as well as the yen's rise and drops in the prices of DRAM chips cut our group current profit during the period," said Kazuo Watanabe, Fujitsu vice president. DRAMs are dynamic random-access memories.

During the period, the yen strengthened on

average against the dollar to 136 yen from

149 yen a year ago, Mr. Watanabe said.

Group sales in the period surged 22.6 percent from the previous year, to 1.59 trillion yen, mainly because of the inclusion of the sales of Britain's biggest computer maker ICL, Mr. Watanabe said. Fujitsu acquired an 80 percent stake in ICL for £742.8 million (\$1.26 billion) in 1990.

"ICL contributed 177.8 billion yen to Fujitsu group sales during the period," Mr. Watanabe said. "Though ICL made a profit in the first half, ICL's acquisition had a negative impact on Fujitsu group current profit."

Fujitsu paid a goodwill charge of 3 billion yen for ICL during the period.

The company also announced that it had

lowered its group current profit forecast for

the full year to March 31, 1992, to 100 billion

yen, from a May forecast of 180 billion yen, and compared with 148.69 billion yen the previous year.

A Fujitsu spokesman said the sharp downward revision in group earnings also reflected unprofitable activities in the United States along with heavy investment in a new semiconductor plant in Britain.

"It's fairly reflective of our overall business overseas," the spokesman said, adding that higher interest rates were also eating into earnings.

"We do not expect the semiconductor market to start recovering soon," Mr. Watanabe said.

(Reuters, AFP)

Foreigners Get 3 Funds In Korea

Agence France-Presse

SEOUL — The government authorized Tuesday the launch of \$300 million-worth of investment funds for foreigners, according to officials of the companies permitted to set up the funds.

The Ministry of Finance gave a green light to three South Korean trust companies — Citizens', Daehan and Korea — to each set up a \$100 million fund for foreigners to invest in local securities.

The three companies are negotiating with foreign securities firms to decide on lead managers and conditions of issuance, the officials said. They are expected to start inviting subscriptions by Asian, European and U.S. investors for the funds from mid-November.

The Economic Daily said the issuance of new foreign funds was expected to be a shot in the arm for the stock market.

The government has been seeking to boost the market, which has been weak for nearly three years, by opening investment up to foreigners. Foreign investors will be allowed to invest directly in Korean stocks beginning Jan. 1.

U.S. Biotech Patent Stands Up in Japanese Court

By Lawrence M. Fisher

New York Times Service

SAN FRANCISCO — In what is being called the first significant biotechnology patent case in Japan, a court has ruled in favor of Genentech Inc. in a suit brought against Toyobo Co. in 1987.

The Osaka District Court ruled that Toyobo had infringed Genentech's Japanese patent by selling a drug known as TPA, which is used to treat heart-attack patients. The court issued an order blocking the sale of Toyobo's product.

Acting on that order, which was issued last Tuesday, officials Monday seized the TPA, or tissue plas-

minogen activator, at Toyobo's plant.

Genentech, which is based in San Francisco, said it believed it was the first seizure by Japanese authorities to protect a biotechnology patent.

"The important thing is that clearly the Japanese legal system has recognized the value of our patents," said G. Kirk Raab, Genentech president and chief executive, in an interview.

"If this type of fair treatment is

displayed in similar cases and throughout the appeals process," Mr. Raab added, "then Japan will indeed be signaling the worldwide biotechnology industry that meaningful protection, backed by strong remedies, is honored in Japan."

Under Japanese law, District Court patent rulings may be appealed, a process that would typically take about two years, during which the products at issue could be sold.

Albert Halluin, a lawyer special-

izing in biotechnology with the San Francisco firm of Fliesler, Dubb Meyer & Lovjoy, called the ruling a remarkable victory for Genentech, noting that more than 20 companies had opposed Genentech.

He said the ruling was significant because "there had been such a feeling that the Japanese would not be affording adequate patent protection, especially in biotech, especially to foreigners."

Seoul Fines Firms for Illegally Copying Software

Agence France-Presse

SEOUL — Three South Korean companies were fined Tuesday for unauthorized copying and use of software produced by three U.S. computer software companies, an attorney said here.

The Seoul District Prosecutor's office fined the three companies from the equivalent of \$670 to \$2,680 following complaints by the U.S.-based Business Software Alliance, said an attorney representing the group.

He said it was the first time a South Korean firm had been indicted and fined for illegal use of software, although he said companies had been fined in the past for selling pirated software.

"This is a landmark decision as far as we are concerned," the attorney said, adding that the alliance was pleased the government was enforcing the Computer Program Protection Law.

Pacific Fashtoo Co. was fined \$2,680 for using software by Ash-

ton-Tate Inc., Lotus Development Corp. and Microsoft Corp. of the United States on four personal computers.

Daewoo Industrial Co. was fined \$2,010 for the use of Microsoft and Lotus software.

Daewoo Motorcycle Sales Co. was fined \$670 for copying and using Ash-Tate software on a personal computer, the attorney said, confirming a Yonhap news agency report.

All three companies paid their

fines following a summary indictment, the attorney said.

While welcoming the decision, he added that the small amount of the fines would not act as an effective deterrent against future abuses.

The Business Software Alliance, which represents the three plaintiffs plus three other major U.S. software manufacturers, is lobbying the South Korean government to amend the Computer Program Protection Law.

LABOR: Manpower Shortages Spur Easing of Immigration Rules in Asia

(Continued from first finance page)

ty prime minister, said the aim was to legalize all foreign workers in the country to monitor their movements and ensure they received the same pay as Malaysians.

There are already 134,000 registered foreign laborers in Malaysia.

While Malaysian employers complain of an acute labor shortage in almost all sectors of the economy, Malaysian union leaders assert that an uncontrolled flood of

cheap Indonesian labor is perpetuating low wage levels.

Vethanathan David, secretary-general of the Malaysian Trades Union Congress, said there were about 1 million Indonesians working illegally in Malaysia, which has a population of 18 million.

However, Megat Juid Megat Ayob, the Malaysian deputy home affairs minister, said there were only about 60,000 illegal workers from Indonesia and a similar number from South Asia.

President Rob Tae Woo of South Korea recently issued an order allowing companies to employ foreign workers openly for the first time. His action followed complaints from business leaders that labor shortages were undermining the competitiveness of exports.

Seoul officials said that companies would be able to increase the number of foreigners they hire to as much as 6 percent of their total work force.

Government figures show that about 20,000 foreigners, mostly from Bangladesh, Pakistan and the Philippines, are illegally hired in South Korea.

In Taiwan, there are estimated to be a similar number of illegal workers. Earlier this year, about 30,000 foreigners, mainly from Southeast Asian countries, were deported for working illegally in Taiwan.

Recently, however, the Taipei government said that to ease a labor shortage it was ending a long-standing ban on foreign workers.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
4100	1800	27500
4000	1550	25000
3900	1500	22500
3800	1450	20000
3700	1400	17500
3600	1350	15000
3500	1300	12500
3400	1250	10000
3300	1200	7500
3200	1150	5000
3100	1100	2500
3000	1050	0
2900	1000	0
2800	950	0
2700	900	0
2600	850	0
2500	800	0
2400	750	0
2300	700	0
2200	650	0
2100	600	0
2000	550	0
1900	500	0
1800	450	0
1700	400	0
1600	350	0
1500	300	0
1400	250	0
1300	200	0
1200	150	0
1100	100	0
1000	50	0
900	0	0
800	0	0
700	0	0
600	0	0
500	0	0
400	0	0
300	0	0
200	0	0
100	0	0
0	0	0

Sources: Reuters, AFP

Very briefly:

- Thailand's Mutual Fund Co., a quasi-governmental body, will see its industry monopoly end as the result of a new Finance Ministry policy of issuing fund-management licenses to eligible Thai financial firms.
- The Asian Development Bank approved a \$30.8 million soft loan for Mongolia to help it buy critical imports.
- Kobe Steel Ltd. plans to form a 50-50 venture with Aluminum Co. of America in Charlotte, North Carolina, next month to produce aluminum tubes for photoreceptors used in office equipment.
- Pertamina, Indonesia's state energy company, contracted with nine shipping companies for the construction of 17 fuel tankers, two of which will be built by PT Humpuss, owned by President Suharto's son.
- Foster's Brewing Group Ltd.'s chairman, Nobby Clark, said he might not be able to continue in his post after failing to gain assurances from the brewer's major shareholder, John Elliott, who according to Australian newspaper reports is seeking to regain control of the board.
- Hino Motors Ltd., Japan's top truck maker, projected a 26.7 percent decline in truck and bus exports to 28,700 units for this financial year.
- Electricite de France has been awarded contracts worth 5.7 million Hong Kong dollars (\$730,000) from the China Electricity Council and the Zhejiang Provincial Electric Power Bureau to provide consultancy services and to train 60 Chinese utilities managers.

BBN, Reuters, AFP, IHI

Burma Limits Cross-Border Trade

Reuters

BANGKOK — Burma's military junta, which promised free-market economic policies when it took power three years ago, has banned private cross-border trade.

A Ministry of Trade order dated Monday banned private companies or entrepreneurs from exporting a long list of commodities ranging from teak to chili peppers. The order, broadcast on Burma's state television, said the state could decide at any time whether to prohibit trade in commodities not listed.

Western diplomats in Bangkok said the junta was trying to reassert control over trade with neighbors like Thailand in order to obtain revenue.



Treuhandanstalt Branch Magdeburg

Tender for the sale of companies in the western region of BERLIN/GERMANY

Treuhandanstalt Branch Magdeburg herewith announces the tender for the sale of presently wholly owned companies in the region West of Berlin/Germany, between Berlin and Braunschweig, as listed below (In brackets: type of business and present number of employees):

Mechanical/Metal working

Bleimwerk Tangerhütte GmbH
O-3510 Tangerhütte
(valves and fittings, 350)

VERBEMA-Spezialverbindelemente
Magdeburg GmbH
O-3014 Magdeburg
(screws, 125)

Metalverarbeitung GmbH, Blankenburg
O-3720 Blankenburg
(structural steelwork, welding, 40)

Elektronischer Metallverarbeitungs GmbH
O-3501 Elsterdorf
(gearwheels, gearboxes, 70)

Maschinen- und Gerätebau Stendal GmbH
O-3500 Stendal
(wire plastic coating machines, 438)

Maschinen- und Anlagenbau GmbH
O-3520 Oechersleben
(general mechanical engineering, 110)

IFA Maschinenbau GmbH
O-3040 Haldensleben
(transmission components, 300)

Landtechnik-Metalbau-GmbH
O-3720 Blankenburg
(wholesale trading of parts for agricultural machines, 164)

Gerhiner Landtechnik und Maschinenbau GmbH
O-3261 Ditzel
(wholesale trading of machinery parts, 144)

Land- und Bautechnik-Erleben
O-3241 Erleben
(trading of agricultural equipment, 265)

Landtechnik-Stahlbau-Baummaschinen
Oechersleben GmbH
O-3520 Oechersleben
(general mechanical engineering, 192)

Landtechnik Oststern GmbH
O-3540 Oststern
(container construction, petrol, 225)

Landtechnik Schmiedingen
O-3261 Schmiedingen
(repair of agricultural machinery, 221)

Metalldruck- und Formenbau Wernigerode GmbH
O-3700 Wernigerode
(cylinder head, 412)

Gießerei- und Ottenbau Königshütte GmbH
O-3701 Königshütte
(metal foundries, 221)

Schraubenwerk Zerbst
O-3400 Zerbst
(rail fixing material, 240)

Blankenburger Metallbau-GmbH
O-3720 Blankenburg
(metal doors, metal construction systems, 500)

Baumtechnik Magdeburg GmbH
O-3101 Königshütte
(containers, welding, 257)

Gerätebau GmbH Wernigerode
O-3225 Wernigerode
(locomotive, couplings, 135)

Construction

Baufert Baumatériau GmbH
O-3570 Gardelegen
(cement and similar binders, 208)

Harzer Elektro und Metall GmbH
Eibingerode
O-3703 Eibingerode
(metal processing, electrical engineering, 50)

BEMA Beton- und Metallbau GmbH
I.A. Magdeburg
O-3014 Magdeburg
(metal facades, 258)

Bauunion Osterburg GmbH
O-3540 Osterburg
(building and civil engineering, 111)

Hoch- und Tiefbau GmbH Tangerhütte
O-3510 Tangerhütte
(building construction, 242)

Wolmirstädter Tiefbau GmbH
O-3210 Wolmirstadt
(civil engineering, 33)

Gepa Elbe-Bau-GmbH
O-3017 Magdeburg
(building and civil engineering, 733)

Wolmirstädter Heizungs- und Sanitär GmbH
O-3210 Wolmirstadt
(heating systems and sanitary installation, 29)

Wood/Furniture

Sägewerk und Holzwaren GmbH Letzingen
O-3571 Letzingen
(sawn wood, 118)

Harzer Holzwerk GmbH Königshütte
O-3701 Königshütte
(wooden pallets, 24)

Holzer Verpackungsmittel GmbH Zerbst
O-3400 Zerbst
(wooden pallets, 30)

Textile

Textilpflege GmbH Staßfurt
O-3251 Neu Staßfurt
(laundries and dry cleaning, 80)

Lederwaren GmbH Calbe
O-3310 Calbe
(leather and other textiles, 15)

Lederhandschuhe und Lederbekleidung GmbH
O-3608 Osterwieck
(leather clothes, gloves, 63)

Industrietextilverarbeitung Magdeburg GmbH
O-3014 Magdeburg
(industrial textiles, leisure goods, 123)

DOM - MODEN HAVELBERG GmbH
O-3550 Havelberg
(girls' clothes, 200)

Schuhfabrik «Hans Sachs» GmbH Burg
O-3270 Burg
(leather and textile shoes, 95)

Format Miederwaren Staßfurt GmbH
O-3250 Staßfurt
(corsetry, underclothing, 160)

Wolmirstädter Lederfabrik GmbH
O-3210 Wolmirstadt
(tanning, 79)

Hebla GmbH, Herrenhemden Blankenburg
O-3720 Blankenburg
(men's shirt, 90)

Foodstuffs

Altmarkdecker Vorrat, Fleisch- und Feinkosthandel GmbH
O-3560 Salzwedel
(trading slaughterhouse products, 40)

Früchteverarbeitung «Altmark» GmbH
O-3220 Ellersleben
(fruit processing, 11)

Stendaler Landbäckerei GmbH
O-3500 Stendal
(bread, bakery prod., 135)

Getränkfabrikation, Salzwedel GmbH
O-3560 Salzwedel
(production of beer, 30)

Harzer Mineralquellen GmbH
O-3720 Blankenburg
(mineral water, 50)

Mühlenerie GmbH
O-3010 Magdeburg
(milling products, 145)

Fruchtsaft GmbH Calverde I.A.
O-3242 Calverde
(wholesale of fruit, pectin, 47)

SEKO Konservenfabrik
O-3550 Seehausen
(vegetable canning, 77)

Konservenfabrik Hecklingen GmbH
O-3257 Hecklingen
(fruit and vegetable canning, 20)

Futtermittel/Aufbereitung GmbH
O-3241 Schackensleben
(protein, animal feed products, 8)

Staßfurter Landfleisch GmbH
O-3250 Staßfurt
(preparation of slaughterhouse products, 204)

Weinkellerei Kötzte GmbH
O-3580 Kötzte
(prod. and trading of juice and wine, 63)

Konservenfabrik «Bördrucht» GmbH
Langenweddingen
O-3106 Langenweddingen
(manufacture of vegetables, 115)

Fischzucht Veckenstedt GmbH I.A.
O-3701 Veckenstedt
(fish mangers, 44)

Automobiles

Autoreparatur Halberstadt GmbH
O-3600 Halberstadt
(vehicles repair, 48)

Autodienst Zerbst GmbH
O-3400 Zerbst
(car dealership, 8)

Autoservice Halberstadt
O-3600 Halberstadt
(car dealership, repair, service, 48)

Chemistry

GUBELAS Großhandels-gesellschaft mbH
O-3018 Magdeburg
(chemical products, paint and varnishes, 138)

Miscellaneous

RFT-radio-television GmbH
Sachsen-Anhalt
O-3040 Magdeburg
(retail trade television, hifi, 234)

Schöma GmbH
O-3300 Schönebeck
(painting and varnishing, 33)

| Teguma GmbH O-3600 Halberstadt (technical rubber production, 232) | |
| Magdeburger Agrarbedarf GmbH O-3300 Schönebeck (plant pesticides, 101) | |

Tender conditions:

- Everybody is entitled to bid. Bids are to be for the total share capital of the company. All offered companies are in the legal form of a limited liability company (GmbH) and are of small and medium size. They are all located in the region West of Berlin, between Berlin and Braunschweig. All companies are presently wholly owned by the Treuhandanstalt. Previous owners, if become known, will be treated according to the applicable law.
- Each bidder is requested to make his own physical inspection and assessment of the company. The managers of the companies have been instructed to provide each and every information required by bidders duly authorized.
- The written authorization to visit the companies incl. address will be given only at the Treuhandanstalt Magdeburg. Office hours Monday through Thursday 9 a.m. to 4 p.m., Friday 9 a.m. to 12 a.m.
- Closing date for the bids is November 28, 1991, at 2 p.m. Bids are to be submitted to Treuhandanstalt Magdeburg, Tanagerbox ground floor. Bids by registered mail must arrive latest by that date. The bids will be opened immediately thereafter in the presence of a notary public.
- Bids are to be submitted in a sealed envelope marked with the name of the company for which the bid is submitted.
- Bids are to be in Deutsche Mark and valid for ninety days after closing date.
- The bids have to include a statement on the intentions of the bidder regarding the envisaged future of the company, e.g. continuation in its present form, change of product line, mergers etc. To be included are also investment and employment forecasts for the next three years.
- Decisions on the bids will be made by the Treuhandanstalt Magdeburg. Treuhandanstalt is not bound to accept the highest or any bid. The statement according to para 7 of these conditions is of main importance. Existing cooperation agreements with the offered companies will be evaluated if submitted together with the bid.

These tender conditions are translated from the German language. In case of dispute the German wording will prevail.

When contacting the Treuhandanstalt Magdeburg, please use fax rather than mail

SPORTS

Soviet Immigrants Lift Hopes Of Athletic Programs in Israel

By Rick Black

New York Times Service

NETANYA, Israel — Without much ado, top Jewish athletes and coaches from the Soviet Union have begun filtering into Israeli sports and are raising this nation's hopes of becoming more competitive in international sporting events.

The first tangible results have already begun to be felt at home. National records in weight lifting and some track and field events, including the javelin, have already been topped by new Soviet immigrants, and Israeli sports officials say it's just a matter of time until recognition and titles are gained abroad.

Many people are contemplating the possibility of Israel's winning its first Olympic medal next year in the Summer Games in Barcelona, either by a new Soviet athlete or by a native Israeli.

To some extent, winning a medal would help Israelis overcome their most painful Olympic remembrance, the murder of 11 Israeli athletes at the Munich Games in 1972.

The influx of new athletes has infused fresh blood and enthusiasm into Israel's athletic traditions and sports arenas, improving both the competition and the image of sports here.

"They're coming all the time," said Yitzhak Ben Melech, the head of the competitive sports department at the Wingate Institute for Physical Education and Sports, where many of the country's top athletes train and reside.

He estimated that there were about 300 Jewish athletes from the Soviet Union in Israel now, and that 50 to 60 of them could improve Israel's competitive level. The country expects to send a contingent of 25 to 30 to Barcelona, of which about 10 would be Soviet immigrants.

In addition, the arrival of many top-rank Soviet Jewish coaches — as well as a Bulgarian shooting coach — is expected to lay the foundation for the training and development of Israel's future athletes in sports ranging from water polo to track and field.

"In my opinion, the best injection to Israeli sport is in the coaching," said Ben Melech, who is responsible for training many of Israel's Olympic athletes. "This is

our biggest weakness. The professional trainers will come up with a product for 30 years."

Of all of the new athletes, one of the most outstanding is Anna Smashnova, 15, a tennis player who recently won the junior French Open. She is now training with a special coach and beginning to compete in professional as well as junior tournaments.

Vadim Bavin, another new Soviet Jewish immigrant, shattered his own Israeli national record in the javelin by more than 22 feet (6.68 meters) and placed 10th in the recent world track and field championships in Tokyo.

Others, like weight lifters Igor and Yuri Dendik, have yet to participate in their respective world championships.

The influx, which began 18 months ago when Soviet Jews began emigrating en masse to Israel, has already built up Israel's teams

'There's no doubt that the new immigrants are raising the level of competition.'

Solomon Stolar, Sports official

in a variety of sports, including wrestling, weight lifting, shooting, track and field and fencing. Even a figure skater has arrived as well as a synchronized swimmer.

"When we were in a final in a world championship for the javelin," asked Solomon Stolar, the head of the competitive sports department of Hapoel, one of several Israeli sports organizations, which alone has absorbed more than 200 athletes at all levels and 130 coaches in varying fields.

"There's no doubt that the new immigrants are raising the level of competition," said Stolar, himself part of the wave of Soviet Jewish immigration in the 1970s.

"In quantity and quality, more have arrived now than in the '70s." For instance, he said, Israel's Olympic weight lifting team could be one of the top five in the world because of the immigrants, all of whom are eager for an exchange visit with the U.S. weight lifting team.

"Some wouldn't have made the Olympic team in the Soviet Union and have a better chance here," said Stolar. "Others simply weren't allowed to make the team because they're Jewish."

The Soviet contribution to Israeli sports comes in the wake of improvements in conditions and salaries — as well as training methods — over the past few years even though the facilities are not not close to what the United States and Europe provide.

Many of the new immigrant athletes live at the Wingate Institute, a sports complex that spreads over more than 40 hectares (100 acres) and abuts the Mediterranean coastline here.

While it's both a home and a training center for native Israeli athletes too, one often hears Russian spoken in the dormitories and in training sessions.

Most of the Olympic athletes receive a monthly stipend of \$500 — in part from Wingate and in part from the sports organizations — as well as food and housing and trips abroad for training camps and competitions. Rooming at the institute gives the immigrants a bit of an advantage over other newcomers who have to share an apartment with other families because of high rental costs.

Today, most of those involved in training top Israeli athletes have adopted techniques similar to those used in the West and Eastern Europe. But it wasn't always that way.

"It's more common in Israel to send your child to the university to be a lawyer or doctor rather than to encourage him to be like Carl Lewis," said Yael Arad, 24, a native-born Israeli who took third place in the judo world championships and is a top Olympic prospect.

Arad was enthusiastic about the influx of Soviet coaches and the effect they would have. "Some of the coaches are at a good level," she said. "They'll help work with the youth and develop a good base for the future."

Even in the world of Israeli sports, many officials were in love with the dream of competing and winning, but winced at the reality of the training, time and money needed to produce top competitive athletes.

Most were content with part-time, underpaid coaches who would get a free trip abroad in

Potshots Fired Off a Scrum

Compiled by Our Staff From Dispatches

LONDON — In the verbal skirmishing leading up to Saturday's battle for rugby's World Cup title, Australia's coach, Bob Dwyer, has scored with a painful shot: the English team, he says, is "boring."

"England is entitled to play in anyway they think," Dwyer said. "That is satisfactory and they would be stupid if they played in any other way than what they consider is best for them to win."

"On the other hand, if I find it boring, well then I find it boring and I am within my rights to say so."

Retorts Rob Andrew of the English team: "Those who have carped about our tactics clearly know nothing about the game."

The grounds for this contention is England's 9-6 victory to Saturday's battle for rugby's World Cup title, Australia's coach, Bob Dwyer, has scored with a painful shot: the English team, he says, is "boring."

England's captain, Will Carling, said Tuesday that a more expansive strategy is planned for the final at Twickenham. "It is going to be a intriguing battle and we know there will have to be a different game plan," he said.

But Australia's captain, Nick Farr-Jones, was not convinced the English can suddenly change their spots. "You can't develop an expansive game overnight," Farr-Jones said. "It's taken us years to do it and it's not something you can just switch in to."

Dwyer said that he did not think the Wallabies had yet reached their full potential, although "whether the boys do it on Saturday or not is another question."

And Andrew, cranking off another round, said that the Australians fall short of having earned the aura of invincibility that cloaked the New Zealand All Blacks for four years. "We want to ensure this Australian team never attains it," he said.

competitions while sports officials could take pride in merely having athletes participate in competitions.

On the contrary, the new Soviet athletes and coaches aren't content just to show up at sporting events. They have a strong tradition of winning.

Hans Feibus, the coach of Smashnova, said that she was shooting for "the absolute top."

"First, we want to break into the top 10, then the top 5 and then the top 20," said Feibus, a Dutch coach who is working with her and another prospect. "She's young and many things can still happen."

Many coaches said that the conditions here were improving slowly as financing improves.

Most funding still comes from the government, but a few private companies are sponsoring top athletes like Arad, and recently a



Dwyer: Not stupid, boring.

The Annual Spanish Omelet

International Herald Tribune

LONDON — From this week forward, the Spanish present themselves as the world's great brokers. The Middle East conference in Madrid, the Expo 1992 business fair in Seville, and the Olympics in Barcelona might show us how to live, to work, to play together.

Thank goodness soccer has little to do with it all, for soccer passions in Spain are eternally divisive. On top it is currently Madrid versus Madrid, though both Real and Atlético Madrid have just felt the sting of Barcelona.

At the bottom, the Basques are desperate after losing too many talents to the big fortune hunters. In between, Osasuna of Pamplona told Spain what it can do with its national league. It snubbed the championship by fielding seven reserves against Zaragoza.

Where else but Spain, whose soccer reflects regional politics, would this distortion of the championship be tolerated so early in the season?

Osasuna's excuse is that it lies in mid-standings and wanted to preserve energy for a UEFA Cup match with VfB Stuttgart.

In the event, Stuttgart drew, 0-0, in Pamplona, making Osasuna's sacrifice somewhat fruitless.

To foreign goalkies, the fruits of Spain are oranges. Seville is historically the place where Spaniards make it hot for visitors, with some overwhelming hospitality thrown in for goalkiepers expected to guard their net beneath a hail of local produce.

Not for 66 years had Spain fallen in Seville, not until France won, 2-1, on Oct. 12. How galling it must have been for the orange throwers when Luis Fernández netted the first French goal.

Fernández is as Spanish as he sounds. He moved to Lyon from his birthplace near Seville when he was 6. He returned a veteran, the strong survivor of the great 1980s French midfield.

Perhaps it was symbolic that a Spaniard whose family chose another nationality should pass through in this fashion. One reason Spain seems incapable of making the sum of its parts whole is that Barcelona and Madrid spend the equivalent of \$50 million each per season promoting separatism.

They object, sometimes overtly, to releasing their expensive players for national duty. They want them fresh for the real business of one-upmanship between clubs. And their mercenaries soon feel the political pressures.

Johan Cruyff, the Dutch manager at Barcelona, tries all he knows to get his players back into the obsessive mood which captured the Spanish championship last summer. The trouble is, winning means too much to Catalans. The generosity, the celebrations, the backslapping saps the players' strengths to do it all again.

THIS SEASON began like a hangover, so Cruyff went through the familiar bluntness about the referees having a down on Barcelona, about the Spanish federation manipulating fixtures to hamper Barcelona, and so on.

Cruyff will get the customary wrist-slapping fine, though his criticism over match congestion has justification. Barcelona, heavily involved in internationals, is in the middle of seven matches between Oct. 15 and Nov. 6: Real Madrid, Atlético Madrid and Logroñés in the league; Kaiserslautern home and away in the European Club Champions' Cup tournament; home

and away Spanish "Supercup" games against Atlético. The Supercup, a spurious money-spinner, could surely have waited for a less critical time. As it is, Barcelona is doing plenty of damage to its rivals.

Two weeks ago, in the Bernabéu Stadium where 95,000 roared on Real Madrid's goal from a free-kick reminiscent of the magical Brazilian Roberto Rivellino.

Prosinecki thus paid off a token of the millions spent on extricating him from Yugoslavia. His days at Real Madrid had begun blighted by injury not solely of the body. Prosinecki is of mixed Croatian and Serbian blood and, refusing to call himself anything but a Yugoslav, read in the Spanish press that he is high on a Croatian death list.

Compared to that, controversy over Barcelona's equalizer hardly matters. It came from a debatable penalty, silencing Barcelona's perennial cry that it favors Madrid. Maybe this was one for the Spaniards saying: The baby who doesn't cry gets no milk.

Beating Madrid is soccer to a Catalan. Next match before 80,000 supporters at Nou Camp, Barcelona sorted out the other Madrid pretenders. Cruyff's men cut to ribbons the Atlético defense that had conceded a single goal in six winning performances. Profligate finishing, and a couple of silly dives for non-existent penalties, denied Barcelona until, in the 39th minute, the Bulgarian Hristo Stoichkov kept his feet and sweetly volleyed in the match winner.

One goal for 90 minutes' supremacy brought mixed reward. Barcelona laughed only until it became clear that the Sunday's work had restored Real Madrid, the deadliest rival, to league leadership.

ATELETICO PRESIDENT Jesús Gil, the manager of managers, took defeat without his infamous Raging Bull outpouring. Perhaps he remembered that he owes his liberty to a judgment to suspend a six-month sentence following his defamatory allegation implicating Real Madrid's president, Ramón Mendoza, in the ransacking at Gil's home.

Or perhaps Gil for once reacted through the pocket and not the mouth. His players have been on top ever since Gil offered an incentive of \$4,750 per point to each of the 16 men on the squad, plus half that to the reserve players, plus twice that to the coach, Luis Aragonés.

After five matches cleaned Gil out of \$1 million, he lamented: "I can't keep selling flats every day just to pay your bonuses." The players said a deal is a deal, won match six, and held out their hands.

So defeat on the seventh may not have cut so deeply into Gil. Seeing Real leapfrog to the top also had its ironies. Mendoza has lately gobbled up managers almost as frenziedly as Gil, and now finds himself with two at the same time.

Mendoza gave the job to Raddy Antic, whose work as the fourth hired manager last season rallied the team. Real has won 14 and drawn one league match under Antic, but Mendoza, apparently fearing his choice lacks experience, has persuaded an old flame to return.

Leo Beenhakker, sacked by Mendoza in 1989, walked out on his new contract with Ajax Amsterdam, for \$1.3 million a year from Real. The players don't want to lose Antic and, while they keep winning for him, have embarrassed the president into calling Beenhakker the general manager.

Confusing, costly, and par for the Spanish course. No wonder France knocks 'em out.

Rob Hughes is on the staff of the Sunday Times.

BOOKS

J. EDGAR HOOVER: The Man and the Secrets

By Curt Gentry. 846 pages. \$29.95. W. W. Norton & Co. Inc., 300 Fifth Avenue, New York, N.Y. 10110.

FROM THE SECRET FILES OF J. EDGAR HOOVER

Edited with commentary by Athan Theoharis. 370 pages. \$24.95. Ivan R. Dee Inc., 1332 North Halsted St., Chicago, Ill. 60622.

Reviewed by Herbert Mitgang

DURING the recent Senate Judiciary Committee's hearings, the chairman, Joseph R. Biden Jr., emphasized that the Federal Bureau of Investigation was only an investigative body, that its reports did not offer opinions, and that no one should draw any conclusions from the raw data its agents collected.

Would that it were so, and that the FBI's familiar record of domestic espionage, illegal surveillance and political stands against government officials and private citizens were things of the past.

This thought comes to mind because two well-documented new books make it evident that the FBI under J. Edgar Hoover not only offered opinions and drew conclusions in its reports but also manip-

ulated presidents, members of Congress, publishers, writers and the public.

Curt Gentry, author of "J. Edgar Hoover: The Man and the Secrets," and Athan Theoharis, editor of "From the Secret Files of J. Edgar Hoover," independently conclude that this icon of law enforcement was one of the most dangerous men in Washington during his 49-year reign as the FBI's grand inquisitor.

Document after document expose the late FBI director as a blackmailer, empire builder, consummate politician and vindictive enemy of civil liberties.

On page 805 of Gentry's readable biography, he writes: "Although J. Edgar Hoover has been dead for nearly 20 years, his ghost casts a long shadow."

There are many who still fear some retribution perhaps because no one is quite sure which of his files still exist — were they to speak openly on the record. "Anyone who has dealt professionally with FBI dossiers in recent years is aware that Hoover's bureau was scarcely a citadel of rectitude."

One strong reason why that impression continues can be found in a chapter titled "Public Relations" in Athan Theoharis's shocking book, which includes hundreds of actual FBI memorandums.

Theoharis, who teaches history at Marquette University and is the country's leading expert on FBI documents, relates how Hoover developed a sophisticated and aggressive publicity machine that punished his critics and rewarded his sycophants.

"Hoover had his aides leak selected information to 'reliable' reporters, editors and columnists in order to promote a positive image of the FBI," Theoharis writes.

"Hoover's aides prepared for him two lists of reporters: a 'Special Correspondents' list (those deemed friendly and reliable) and a 'Not to be Contacted' list (those deemed hostile)."

After Hoover's death, on his instructions, his administrative assistant, Helen Gandy, shredded thousands of private

office files. But enough documents survived from these and the files of his top aides to disclose the director's patterns of administrative and judicial abuse.

Both books reveal that Hoover was able to exercise great power because of his ties to high-ranking, sympathetic officials who held their noses and used him as he used them. These included both Democratic and Republican presidents.

Herbert Mitgang is on the staff of The New York Times.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week	Last Week	This Week	Last Week
1	1	SCARLETT, by Alexandra Ripley	1
2	2	NEEDFUL THINGS, by Stephen King	2
3	3	THE SUM OF ALL FEARS, by Tom Clancy	3
4	4	NIGHT OVER WATER, by Ken Follet	4
5	5	THE DOOMSDAY CONSPIRACY, by Sidney Sheldon	5
6	6	ALL THE WEYERS OF PERN, by Anne McCaffrey	6
7	7	OR, THE PLACES YOU'LL GO, by Dr. Seuss	7
8	8	THE FIRM, by John Grisham	8
9	9	THE DICTIONARY, by Frederick Forsyth	9
10	10	SAINT MAYBE, by Anne Tyler	10
11	11	THE ORACON REBORN, by Robert Jordan	11

NONFICTION

This Week	Last Week	This Week	Last Week
1	1	ME: STORIES OF MY LIFE, by Katharine Hepburn	1
2	2	OEN OF THIEVES, by James B. Stewart	2
3	3	UH-OH, by Robert Fulghum	3
4	4	LA TOYA, by La Toya Jackson	4
5	5	THE FIRM, by John Grisham	5
6	6	IRON JOHN, by Robert Bly	6
7	7	FIRE IN THE BELLY, by Sam Keen	7
8	8	PARLOR OF WHORES, by P.J. O'Rourke	8
9	9	J. EDGAR HOOVER, by Curt Gentry	9
10	10	TOULOUS PROVERBE, by Peter Mayle	10
11	11	MADONNA UNAUTHORIZED, by Christopher Anderson	11
12	12	CHUTZPAH, by Alan M. Dershowitz	12
13	13	CRUEL DOCT, by Jane McGinnis	13
14	14	ANNE SEXTON, by Diane Wood Middlebrook	14
15	15	WHEN YOU LOOK LIKE YOUR PASSPORT PHOTO, IT'S TIME TO GO HOME, by Erma Bombeck	15
16	16	THREE BLIND MICE, by Ken Aukia	16
17	17	ADVICE: HOW-TO AND MISCELLANEOUS	17
18	18	FINAL EXIT, by Derek Humphry	18
19	19	IS THIS YOUR CHILD? by Doris J. Rapp	19
20	20	THE GREAT WALDO SEARCH, by Martin Handford	20
21	21	FIND WALDO NOW, by Martin Handford	21
22	22	WHERE'S WALDO? by Martin Handford	22

PEANUTS

10-30



BEETLE BAILEY

10-30



CALVIN AND HOBBES

10-30



WIZARD OF ID

10-30



REX MORGAN

10-30



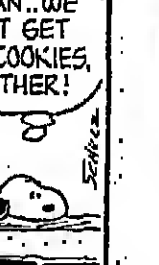
GARFIELD

10-30



JUMBLE

10-30



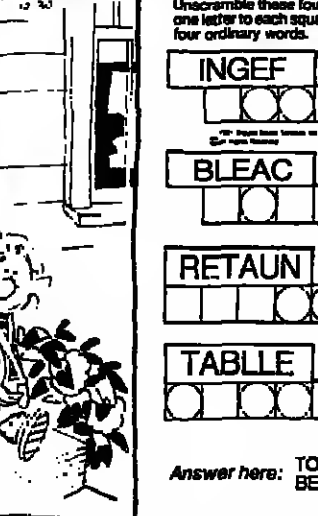
DENNIS THE MENACE

10-30



BLONDIE

10-30



JUMBLE

10-30



JUMBLE

10-30



JUMBLE

10-30



JUMBLE

10-30



JUMBLE

10-30



JUMBLE

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JUMBLE

10-30

